

24th September 1937

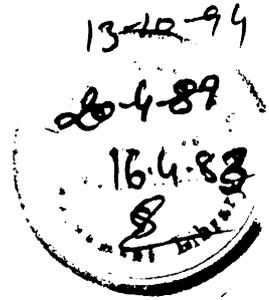
**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume VI, 1937

(18th September to 29th September, 1937)

**SIXTH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1937**



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Legislative Assembly.

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MR. M. GHIASUDDIN, M.L.A.

MR. MATHURADAS VISSANJI, M.L.A.

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LEGISLATIVE ASSEMBLY.

Friday, 24th September, 1937.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

MEMBER SWORN.

Maharaja Bahadur Ram Ran Vijai Prasad Singh of Dumraon, M.L.A.
(Bihar and Orissa : Landholders).

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

PUBLIC LATRINE ON THE BALLIA STATION OF THE BENGAL AND NORTH WESTERN RAILWAY.

770. *Mr. Sri Prakasa : (a) Will the Honourable Member for Commerce and Railways state whether Government have noticed the public latrine on the platform of the Ballia Railway Station on the Bengal and North Western Railway ?

(b) Is it not an exposed construction with large open pits without any provision for seats ?

(c) Do Government propose to draw the attention of the Railway concerned to this and ask them to improve matters immediately ?

The Honourable Sir Saiyid Sultan Ahmad : (a) to (c). Government have no information but I will send a copy of the question to the Agent for consideration, and necessary action.

Mr. Sri Prakasa : In view of the fact that what I have said is correct and that I had unfortunately to expose myself on this platform, will Government take immediate action in the matter ?

The Honourable Sir Saiyid Sultan Ahmad : The question will be sent down immediately. (Laughter.)

RESERVATION OF ONE INTERMEDIATE CLASS COMPARTMENT FOR PERSONS RESERVING SEATES IN THE UP PUNJAB MAIL FROM HOWRAH.

771. *Mr. Sri Prakasa : (a) Will the Honourable Member for Commerce and Railways state if it is a fact that one intermediate class compartment is reserved for those who may reserve their seats, even if nobody reserves them, in the No. 5 Up Punjab mail from Howrah on the East Indian Railway ; and that no one is allowed to board that compartment even if it is quite empty ?

(2363)

(b) Is it a fact that when I wanted to go in that compartment at Howrah I was not allowed to do so even when not a single seat in the said compartment was reserved on May 8, 1937? And is it further a fact that when I offered to reserve a seat then and there to the officer specially posted to keep passengers out I was informed that I must go out and get a proper reservation certificate which I could not do as there was no time?

(c) Is it a fact that the compartment as a rule runs empty from Howrah and is available for passengers from other compartments or new arrivals from Burdwan onwards?

(d) What is the exact point in running this compartment empty from Howrah to Burdwan?

The Honourable Sir Saiyid Sultan Ahmad : (a) It is a fact that intermediate class accommodation can be reserved from Howrah Station, but Government are not aware of the detailed arrangements which are made by the East Indian Railway in order to ensure that accommodation is available on No. 5 Up Punjab Mail for those passengers who have reserved their seats.

(b) Government have no information, but I accept the Honourable Member's version of the occurrence.

(c) and (d). Burdwan is the first stop after leaving Howrah, so that a compartment intended for reserved seat ticket holders, not occupied from Howrah, would become available for other ticket holders from Burdwan. Government have no information as to the extent to which the facility of reserving intermediate class seats on No. 5 Up Punjab Mail from Howrah is availed of by the public, but a copy of the Honourable Member's question and this reply will be sent to the Agent for such action as is considered necessary.

Mr. Sri Prakasa : What is the exact point, with reference to the Honourable Member's reply to part (a), in keeping a compartment empty for purposes of reservation even when there is no reservation at all, and refusing to reserve seats for passengers who want to do so at the last moment?

The Honourable Sir Saiyid Sultan Ahmad : *Prima facie*, I do not think there is any point in it at all, and that is the reason why I am sending this question to the Agent.

THIRD CLASS PASSENGERS AVAILING OF RESERVATION FACILITIES AT HOWRAH.

772. ***Mr. Sri Prakasa :** (a) Will the Honourable Member for Commerce and Railways state how many third class passengers on an average avail themselves of reservation facilities in the various mail and express trains at Howrah on the East Indian Railway?

(b) What is the amount of space on an average given to each passenger?

(c) Are Government satisfied that the accommodation is adequate and the results satisfactory?

The Honourable Sir Saiyid Sultan Ahmad : (a), (b) and (c). Government have no information, but have arranged to obtain it with respect to the reservations for one week's bookings from Howrah Station, and a reply will be laid on the table in due course.

NEGOTIATION FOR A TRADE AGREEMENT WITH CEYLON.

773. **Mr. S. Satyamurti** : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether it is a fact that the ban has been removed and that Ceylon can hereafter negotiate with India directly for an Indian Trade Agreement with us, subject to ratification by the Colonial Office ;
- (b) when the Government of India propose to start these trade talks with Ceylon and why, now that the Indo-British trade talks have been postponed, these negotiations are not started ; and
- (c) whether, in carrying on these trade negotiations, the outstanding points of dispute between India and Ceylon, for example, the proposed denial of franchise to Indian labourers in Ceylon villages and the question of non-labour immigration from India, will also be considered ?

The Honourable Sir Saiyid Sultan Ahmad : (a) For the purpose of concluding a trade agreement, in replacement of that concluded at Ottawa, His Majesty's Government in the United Kingdom have agreed to separate negotiations taking place between India and Ceylon after the present Indo-United Kingdom trade negotiations have been concluded.

(b) I am not aware that the Indo-British trade talks have now been postponed. I am unable to state the date on which negotiations with Ceylon will begin, but, as I mentioned a few days ago, it will begin soon after the return of our delegates from London.

(c) These considerations will of course be borne in mind, but no decision regarding the scope of the negotiations has yet been reached.

Mr. S. Satyamurti : With reference to the answer to clauses (a) and (b), may I take it that the negotiations or talks preparatory to negotiations between Ceylon and India will start immediately after the return of our delegates from London ?

The Honourable Sir Saiyid Sultan Ahmad : Soon after their return.

Mr. S. Satyamurti : With reference to the answer to (c), may I know whether Government will come to a conclusion on this matter, namely, of treating the whole question of the relations between India and Ceylon not only in trade but also the status of our fellow nationals in Ceylon, and whether this will be decided to be treated as part of the entire negotiations, before they actually enter upon the negotiations ?

The Honourable Sir Saiyid Sultan Ahmad : As I submitted, no decision has been arrived at on that point.

Mr. S. Satyamurti : I am simply asking whether Government have come to a conclusion on this matter, that is to say, the matter of treating the relations between India and Ceylon as a whole, and not separating trade from the status of Indians, specially Indian labourers in Ceylon ; and will they come to a conclusion on that, before they start any negotiations ?

The Honourable Sir Saiyid Sultan Ahmad : That is exactly what I said, that no decision with respect to the scope of the negotiations has yet been arrived at.

Mr. S. Satyamurti : Do Government realise that merely trade between India and Ceylon would not satisfy the self-respect or the dignity of this country, unless as part of the trade relations the status of our fellow-nationals in Ceylon is also taken up and satisfactorily settled ?

The Honourable Sir Saiyid Sultan Ahmad : That is a matter of opinion ; I cannot answer it.

Mr. S. Satyamurti : Will my Honourable friend consult the Honourable Member or the Secretary of the Department of Education, Health and Lands on this matter, before he comes to a conclusion on the subject one way or the other ?

The Honourable Sir Saiyid Sultan Ahmad : The matter is being considered, as a matter of fact, with that Department.

Mr. T. S. Avinashilingam Chettiar : May I know whether they are getting information periodically about the proceedings of the Indo-British trade talks ?

The Honourable Sir Saiyid Sultan Ahmad : We are, Sir.

Mr. T. S. Avinashilingam Chettiar : May I know whether they are aware of the fact that there has been a breakdown in the negotiations as far as jute is concerned ?

The Honourable Sir Saiyid Sultan Ahmad : I do not know. That is the information which my Honourable friend has. He is at an advantage ; I have no such information.

Mr. T. S. Avinashilingam Chettiar : May I know if it was a press note which appeared in the newspapers and was as much open to the Honourable Member as to me ?

The Honourable Sir Saiyid Sultan Ahmad : Then the Honourable Member has got the information ; I have not.

Mr. T. S. Avinashilingam Chettiar : In view of the breakdown in the jute negotiations, may I know whether they are getting the proceedings of these negotiations, and can they give any information about them ?

The Honourable Sir Saiyid Sultan Ahmad : I do not admit that there has been any breakdown at all.

Mr. T. S. Avinashilingam Chettiar : Not even with regard to jute ?

The Honourable Sir Saiyid Sultan Ahmad : With regard to anything.

Mr. Mohan Lal Saksena : After the appearance of the press report did the Honourable Member make any inquiries about it ?

The Honourable Sir Saiyid Sultan Ahmad : No, Sir.

Mr. S. Satyamurti : With reference to the freedom of this country to conduct negotiations with other countries besides Britain to replace the Ottawa agreement, may I know what is the exact position ? Is it that this country cannot negotiate a trade agreement with any other country, except with the leave of His Majesty's Government ?

The Honourable Sir Saiyid Sultan Ahmad : That question, I submit, does not arise from the answers I have given, *i.e.*, with respect to other countries.

Mr. S. Satyamurti : In answer to clause (a) my Honourable friend said—I am not using the exact words, I am trying to recollect the words, you kindly correct me—that India is free to carry on negotiations with Ceylon, I want to know by way of elucidation of that answer what is the exact constitutional position of India : does India require the permission of His Majesty's Government to carry on trade negotiations or to come to trade agreements with countries other than Great Britain ?

The Honourable Sir Saiyid Sultan Ahmad : If my learned friend would put down a question I would try and give an answer.

Mr. S. Satyamurti : His Majesty's Government have agreed to separate negotiations taking place between India and Ceylon—I want to know where His Majesty's Government come into this at all.

The Honourable Sir Saiyid Sultan Ahmad : Because Ceylon is a colony, and that is the reason why negotiations have to be conducted ordinarily through the United Kingdom, but they have agreed to our concluding a trade agreement direct with Ceylon.

Mr. S. Satyamurti : Does this agreement of His Majesty's Government apply only to Ceylon or to all other countries in the British Commonwealth ?

The Honourable Sir Saiyid Sultan Ahmad : I cannot answer that question off hand.

PROTECTION TO MINOR INDUSTRIES.

774. ***Mr. S. Satyamurti :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether Government have received a representation from the Association of Indian Industries, Bombay, on the need for protection to minor industries against foreign, particularly Japanese, competition, and the form and extent of the assistance needed by those industries ;
- (b) whether Government have examined the allegation that Japan is gaining ground primarily, if not solely at the cost of Indian minor industries, and whether Government will take steps independent of the enquiry to stop or at least reduce this Japanese competition and, if not, why not ;
- (c) the reasons why some public men and representatives of commerce and industrial associations have not been associated with the present enquiry ;
- (d) whether Government have considered the representation of the association that an element of competitive protection will have to be introduced in the proposals which emerge as a result of this enquiry ;
- (e) whether Government propose also to consider the need for some precautions to meet the depreciation of Japanese currency ; and

- (f) whether Government propose also to consider the effect of heavy rates of freight on the transport of these minor industries and do something in that direction to help them ?

The Honourable Sir Saiyid Sultan Ahmad : (a) Yes, Sir.

(b) and (d). Representations from minor industries in India for assistance against Japanese competition, along with suggestions received from commercial bodies on the subject, are at present under examination by an officer on special duty. In view of the steady rise in Japanese prices in recent months, Government do not consider it necessary to take any action prior to the completion of the enquiry.

(c) The enquiry has been entrusted to an officer on special duty as it is in the nature of a departmental examination. In the opinion of Government it would be more useful for commercial bodies like the Association of Indian industries to assist the minor industries concerned in preparing their cases. Such assistance would, in the opinion of Government, be more valuable to the minor industries themselves than an increase in the number of investigators. A copy of the questionnaire issued to minor industries has accordingly been sent to recognised Chambers of Commerce and Trade Associations also.

(e) The Japanese exchange has remained fairly steady during the last three years, but Government will continue to watch its course with a view to safeguard indigenous industries, if necessary.

(f) All relevant factors including the question of transport charges will be borne in mind by the Officer on Special Duty.

Dr. Ziauddin Ahmad : Will the Honourable Member consider also the interests of the consumers along with those of the industries and not consider it from only one point of view ?

The Honourable Sir Saiyid Sultan Ahmad : Certainly.

Mr. T. S. Avinashilingam Chettiar : Have Government received representations only with reference to protection against Japanese competition or with reference to competition from other countries ?

The Honourable Sir Saiyid Sultan Ahmad : Only against Japanese competition.

Mr. S. Satyamurti : My Honourable friend gave the answer that, in view of the steady rise in Japanese prices in recent months, Government do not consider it necessary to take any action immediately. May I know whether Government have figures which will throw light in regard to this ?

The Honourable Sir Saiyid Sultan Ahmad : I can supply no figures now, but I can lay the figures on the table, if available.

Mr. S. Satyamurti : With reference to answer to (f), may I know if the reason for Government awaiting the results of the enquiry in regard to the effect of heavy rates of freight on the minor industries is that they have no figures in their possession, or is it because they want to consider, if the officer makes suitable recommendations, these recommendations as well ?

The Honourable Sir Saiyid Sultan Ahmad : Both.

Mr. T. S. Avinashilingam Chettiar : With reference to answer to (a) are Government satisfied that the rise is permanent or is only temporary ?

The Honourable Sir Saiyid Sultan Ahmad : I will have to refer to that brilliant gentleman called astrologer.

Mr. T. S. Avinashilingam Chettiar : The point is that if it is only temporary they have got to take other precautions.

The Honourable Sir Saiyid Sultan Ahmad : I cannot answer that question.

Mr. Abdul Qaiyum : Is there any time-limit fixed within which the officer will have to submit his report.

The Honourable Sir Saiyid Sultan Ahmad : No.

Mr. Abdul Qaiyum : Why is it considered not desirable to have the report in a fixed period ?

The Honourable Sir Saiyid Sultan Ahmad : I cannot definitely answer. But presumably to enable industries to submit replies.

Mr. S. Satyamurti : With reference to answer to clause (d), may I know whether Government have considered the question of introducing an element of competitive protection as against dumping of Japanese goods in this country ?

The Honourable Sir Saiyid Sultan Ahmad : That will be considered by the officer who has been entrusted with the duty to enquire.

Prof. N. G. Ranga : How long is this enquiry expected to continue ?

The Honourable Sir Saiyid Sultan Ahmad : It is difficult to say definitely, but I do not think it ought to last very long.

Mr. S. Satyamurti : May I know whether, when considering the interests of what Dr. Ziauddin called " Indian consumers ", Government will bear in mind that if this country becomes the dumping ground of the products of other countries, our consumers will be left with no money to buy anything ?

The Honourable Sir Saiyid Sultan Ahmad : That is an argument.

EXHIBITION OF INDIAN EDUCATIONAL FILMS AND NEWSPAPER REELS.

775. ***Mr. S. Satyamurti :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether the Motion Picture Society of Bombay recently represented to him and urged the Government of India to make the exhibition of Indian educational films and newspaper reels compulsory in every programme, and what steps Government propose to take in this direction ;
- (b) whether Government are aware that in British and other foreign films imported and exhibited in India, news items and other items are generally of a propagandist character ; and
- (c) whether Government propose to take steps to see that Indian news and other news also find a similar place in the films exhibited in India ?

The Honourable Sir Saiyid Sultan Ahmad : (a) Yes, but none of the points mentioned were raised in the representation.

(b) No.

(c) No, as this is now a provincial subject.

Mr. S. Satyamurti : With reference to answer to (b) of the question, may I know what that "no" means? Is it that Government are not aware, or that in British and other foreign films, news items and other items are not of a propagandist character?

The Honourable Sir Saiyid Sultan Ahmad : The question was, are Government aware: the answer is to "aware".

Mr. S. Satyamurti : May I know whether Government have made enquiries and have come to the conclusion that news items and other items of a propagandist character are not displayed? If he comes with me today he will find it out.

The Honourable Sir Saiyid Sultan Ahmad : I am prepared to accept the offer.

Mr. S. Satyamurti : If that is so, I will take him, but will he kindly take my word for it that as a matter of fact news items and other items in British films glorifying the British Empire are being exhibited? May I ask whether he proposes to take steps to see that similar news reels of India are exhibited as part of the programme in every cinema in this country?

The Honourable Sir Saiyid Sultan Ahmad : I am not really in a position to answer that question, because I think another Department is concerned.

Seth Govind Das : Are Government aware that news items glorifying conditions in India such as Congress reels, or reels showing Mahatma Gandhi's visit to the Round Table Conference or Mahatma Gandhi seeing His Majesty the King were prohibited only because they were glorifying the conditions of Indians?

The Honourable Sir Saiyid Sultan Ahmad : I have absolutely no knowledge of that.

Seth Govind Das : Are Government aware that many of the Provincial Governments, that is those which are Congress Governments, have lifted the ban on such films, but provinces where Congress Governments do not exist this ban has not been lifted yet?

The Honourable Sir Saiyid Sultan Ahmad : I have no information.

Seth Govind Das : Are Government going to take any steps in this direction?

The Honourable Sir Saiyid Sultan Ahmad : No.

Mr. S. Satyamurti : With reference to answer to clause (a) about educational films, I am asking whether Government are considering or will consider the question of making compulsory—I am not talking of news films—exhibition of Indian educational films?

The Honourable Sir Saiyid Sultan Ahmad : This concerns another Department—the question of educational films. We have not considered that.

Mr. S. Satyamurti : I want to know which Department it is.

The Honourable Sir Saiyid Sultan Ahmad : May be Education—I cannot definitely say.

Mr. S. Satyamurti : Surely, the Government Member ought to be able to say.

Mr. President (The Honourable Sir Abdur Rahim) : It may be available from the Member for Education.

Mr. S. Satyamurti : He has agreed to answer the question, and he has really answered it. In regard to supplementaries he says he cannot give answers. The supplementary question actually reproduces the words of the primary question. You please see clause (a) of the question.

Mr. President (The Honourable Sir Abdur Rahim) : He has given the answer to that.

Mr. S. Satyamurti : He says some other Department will have to give the answer.

Mr. Sri Prakasa : If the supplementary question itself is regarded as the original question, may I know who will answer it ?

(No reply.)

ENCOURAGEMENT OF INDIAN COASTAL SHIPPING.

776. ***Mr. S. Satyamurti** : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether Government are aware that Company after Company which endeavoured to develop coastal services has been shattered by the heavy combination of British interests ;
- (b) whether Government have seen the recent appeal issued by the High Commissioner for India in London that the policy of rate-cutting against Indian shipping companies should be replaced by a policy of co-operation between British and Indian shipping interests ;
- (c) whether Government have considered the conditions of service of Indian *lascars* and others employed in British ships as regards wages, hours of work, sickness, insurance, etc., which are much lower than conditions for British seamen serving on the same boats in the same capacity ; and
- (d) whether Government propose to take any steps to encourage Indian coastal shipping, and, if so, when ?

The Honourable Sir Saiyid Sultan Ahmad : (a) Government are aware that Indian shipping companies engaged in the coastal trade have had to meet competition from companies already established in that trade.

(b) Government have seen a press summary of a speech delivered by **Malik Sir Firoz Khan Noon** at Southampton in July last. The report which Government have seen makes no mention of rate cutting directed specifically against Indian shipping companies, but does recommend a policy of co-operation between shipping companies.

(c) Yes, Sir, the matter has been engaging the attention of the Government of India for some years past.

(d) The Government of India are, and have been for many years taking steps to encourage Indian coastal shipping.

Mr. S. Satyamurti : With reference to the answer to clause (a) of the question, may I know whether Government have statistics in their possession of the actual number of coastal services which were started and which were closed down because of this competition ?

The Honourable Sir Saiyid Sultan Ahmad : I do not think we have.

Mr. S. Satyamurti : With reference to the answer to clause (b), may I know if my Honourable friend's attention has been drawn to the second speech delivered by the High Commissioner, reported this morning, delivered in Glasgow, in which he has stressed the point again that there should be co-operation between British and Indian shipping interests ?

The Honourable Sir Saiyid Sultan Ahmad : My attention was drawn to it just in the lobby before I came into the Chamber.

Mr. S. Satyamurti : May I know whether, as a result of these constant references by a responsible officer of this Government in London, asking the Government to use their good offices to get a larger share in the coastal and overseas shipping for Indian ships and shipowners, Government propose to take any other steps, except the one which is called the Bhoze Agreement ?

The Honourable Sir Saiyid Sultan Ahmad : As I have said, Government have got this point constantly in mind and they are taking all the steps that they can and which they consider necessary.

Mr. S. Satyamurti : With reference to the answer to clause (c), may I know whether Government have in their possession any information as to the latest conditions of service of Indian lascars and others as regards the various matters mentioned therein—wages, hours of work, etc. ?

The Honourable Sir Saiyid Sultan Ahmad : I have not got the figures here in my possession ; but if it is required I will try and secure them.

Mr. S. Satyamurti : Have Government considered the allegations contained in this question, namely, that the conditions of service of Indian lascars with regard to the hours of work, wages, etc., etc, are much lower than the conditions for British seamen serving in the same capacity ?

The Honourable Sir Saiyid Sultan Ahmad : That is what I have said : the matter is being considered.

Mr. S. Satyamurti : May I know whether Government are now satisfied, on the material available to them, that this allegation is correct, and are they taking any steps in the direction ?

The Honourable Sir Saiyid Sultan Ahmad : The matter is engaging the attention of the Government.

Prof. N. G. Banga : What steps have been taken till now by the Government to improve the conditions of these lascars ?

The Honourable Sir Saiyid Sultan Ahmad : The matter is under consideration.

Mr. President (The Honourable Sir Abdur Rahim) : If the Honourable Member wants to know what has been done in the past, surely he ought to put down a question.

Mr. Bhulabhai J. Desai : Will the Honourable Member answer whether in fact the conditions of service are different and to the disadvantage of Indian lascars ?

The Honourable Sir Saiyid Sultan Ahmad : That is the matter which is being examined.

Mr. Bhulabhai J. Desai : I understood the Honourable Member to say that the question of their improvement was under consideration. I am not talking of that now. I am asking whether in fact the Government are aware that the conditions of service of Indian lascars, as my Honourable friend has himself travelled fairly often, are or are not inferior in terms of service, accommodation, food provided and everything else, to other persons similarly employed on the ships ?

The Honourable Sir Saiyid Sultan Ahmad : I thought I had answered this very question. I did not use the word improvement at all. The question was, whether Government have considered the conditions of service of Indian lascars and so on. The answer is Yes : the matter has been engaging the attention of the Government of India.

Mr. Bhulabhai J. Desai : Pardon my pursuing this : consideration is one thing. But have they obtained information enabling them to know in fact whether the conditions are inferior in the directions I mentioned ?

The Honourable Sir Saiyid Sultan Ahmad : Enquiries have been made and are being made.

Mr. Bhulabhai J. Desai : Without any result ?

The Honourable Sir Saiyid Sultan Ahmad : That is a matter which is engaging the attention of Government.

Prof. N. G. Ranga : Will Government place on the table of the House relevant portions of the results of the inquiries they are making ?

The Honourable Sir Saiyid Sultan Ahmad : I cannot undertake to do that at present.

Mr. S. Satyamurti : May I know whether Government have addressed the British shipowners or other owners of ships on which Indian lascars are employed, on these matters, and if so, when did they address them ?

The Honourable Sir Saiyid Sultan Ahmad : I cannot answer that question, because I have no information ; but if my learned friend will put down a question, I will certainly secure that information.

Mr. S. Satyamurti : May I know what is the nature of the consideration ? I want to know exactly what they are considering.

Mr. President (The Honourable Sir Abdur Rahim) : Government have said that they are considering the matter.

INDIAN FLOUR INDUSTRY.

777. *Mr. S. Satyamurti : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether it is a fact that His Excellency the Governor General has sanctioned the Burma Government's action in removing the 25 per cent. duty on imports of foreign flour, and why ;
- (b) whether Government have taken into consideration the understanding that the *status quo* would be maintained with regard to trade relations between this country and Burma at least for a period of three years ;
- (c) whether Government have considered the effect of this removal of protection duty on the Indian flour industry ; and
- (d) whether Government propose to take up this matter with the Government of Burma and see that the legitimate interests of the Indian flour industry are not adversely affected ?

The Honourable Sir Saiyid Sultan Ahmad : (a) No, Sir. Such action would not require the Governor General's sanction.

(b) Does not arise.

(c) The attention of the Honourable Member is invited to the Statement of Objects and Reasons to the Indian Tariff (Second Amendment) Bill which was introduced in this House on the 14th September, 1937.

(d) The Central Government have already taken up this matter with the Government of Burma.

FUNCTIONS OF THE RAILWAY ADVISORY COMMITTEES.

778. *Maulvi Muhammad Abdul Ghani : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) the functions of the various Railway Advisory Committees of Company and State-managed Railways in British India ;
- (b) whether the various committees are consulted in matters of change of time table before any actual change or alteration in time is notified and published in time tables ;
- (c) if the answer to part (b) be in the negative, the reason why the committees are not consulted ; and
- (d) what facilities are given to the members of the various Advisory Committees to gather information for the discharge of their duties by every Railway Company ; if not, why not ?

The Honourable Sir Saiyid Sultan Ahmad : (a) The functions of the Committees are advisory and the following are among the subjects suitable for their consideration :

- (i) alterations in time-tables and passenger services ;
- (ii) alterations of rates and fares and changes of goods classifications ;
- (iii) proposals in regard to new projects and extensions ;
- (iv) proposals in regard to new rolling stock ;

(v) any matters affecting the general public interest or convenience.

(b) and (c). Government understand that generally the various Committees are consulted on matters of time-table revision before changes are made.

(d) The representatives elected by the various bodies to the Advisory Committees to represent trade, industry, commerce, rural interests and the travelling public are presumably selected by these bodies on account of their special knowledge of the needs of the interest they represent and no special facilities are given to enable members to gather information.

Mr. Lalchand Navalrai : May I know if the matters in which these advisory committees have to be consulted have been laid down anywhere ?

The Honourable Sir Saiyid Sultan Ahmad : That is exactly what I have just said : I have a list of the subjects suitable for their consideration : I read a whole lot of them.

Mr. Lalchand Navalrai : Is that an exhaustive list ?

The Honourable Sir Saiyid Sultan Ahmad : No.

Mr. Lalchand Navalrai : May I know in view of the fact that these committees have been functioning for a long time, whether Government propose to increase their functions and powers ?

The Honourable Sir Saiyid Sultan Ahmad : There is no question of increasing their functions and powers at all because the list I have given is fairly full and gives ample opportunities to the members of the advisory councils to bring matters up before the council.

Mr. Muhammad Azhar Ali : If the Agent does not consider applications for changes in the time table, is there any authority to appeal to ?

The Honourable Sir Saiyid Sultan Ahmad : That is a matter which is entirely within the competence of the railway administrations.

Dr. Ziauddin Ahmad : May I ask whether the agenda for these meetings is prepared by the Agent, or whether a member of the Advisory Committee has a right to make any suggestions ?

The Honourable Sir Saiyid Sultan Ahmad : He has got every right.

Pandit Lakshmi Kanta Maitra : May I know if this department has considered the proposal which was once made by Sir Zafrullah Khan that the members of the Central Legislature would be, in their respective spheres, the local areas, *ex-officio* members of the advisory committee ?

The Honourable Sir Saiyid Sultan Ahmad : I do not know how the question arises from the submission I have made.

Qazi Muhammad Ahmad Kazmi : Are the functions of the committee prescribed or laid down anywhere ?

(No reply.)

STANDING FINANCE COMMITTEE OF THE INDIAN LEGISLATIVE ASSEMBLY.

779. *Mr. Sri Prakasa : Will the Honourable the Law Member state :

- (a) if it is a fact that the Standing Finance Committee is a committee elected by the Legislative Assembly and that only such persons can function on it as have been so elected ; and
- (b) if it is a fact that Mr. Nixon recently presided over the meetings of the Standing Finance Committee without taking the oath of office ; if so, under what rule he did so ?

I think, Sir, in the question I have put there is a small error. The Standing Finance Committee should be called the Public Accounts Committee.

The Honourable Sir Nripendra Sircar : The question should have been addressed to the Honourable the Finance Member.

INSPECTORS AND UPPER SUBORDINATES PROMOTED TO THE RANK OF ASSISTANT TRAFFIC SUPERINTENDENTS ON THE EASTERN BENGAL RAILWAY.

780. *Dr. Ziauddin Ahmad : (a) Will the Honourable Member for Commerce and Railways be pleased to state the number of Inspectors and upper subordinates promoted to the rank of Assistant Traffic Superintendents on the Eastern Bengal Railway during its administration by the State, and how many of them were Muslims ?

(b) Do Government propose to take any step to meet this deficiency ?

The Honourable Sir Saiyid Sultan Ahmad : (a) and (b). The information is not readily available and Government consider that the amount of time and labour involved in its collection would not be justified by the results. I would, however, refer the Honourable Member to paragraph 6 of the Home Department, Notification No. F. 14/17-B.33, dated the 4th July, 1934, which states, that the orders of Government of India regarding communal percentages apply only to direct recruitment and not to recruitment by promotion, which will continue to be made solely on merit.

Dr. Ziauddin Ahmad : The point on which I wanted elucidation was whether Government have any rules fixed for promotion from direct recruitment to officers' grade ?

The Honourable Sir Saiyid Sultan Ahmad : I have answered that question. The Resolution which was published in 1934 makes it perfectly clear that the rules relate only to direct recruitment and not to recruitment by promotion, which will continue to be made as at present solely on merit.

Dr. Ziauddin Ahmad : That Resolution relates to communal representation. I want to know whether they have fixed certain proportions for direct recruitment and a certain proportion for promotion to the officers' grade from upper subordinate grade ?

The Honourable Sir Saiyid Sultan Ahmad : As far as I know, no.

Seth Govind Das : Has any proportion been fixed with regard to admission of students and appointments of professors as far as Hindus and Muslims are concerned in the Aligarh University ?

Mr. President (The Honourable Sir Abdur Rahim) : That question I disallow.

MAINTENANCE OF ADEQUATE INDIAN SHIPPING.

781. ***Mr. T. S. Avinashilingam Chettiar** : Will the Honourable Member for Commerce and Railways state :

- (a) whether the proceedings of the Shipping Committee of the Imperial Conference have been received ;
- (b) whether the maintenance of adequate Indian shipping was considered in the Committee ; and
- (c) if so, what were the conclusions of the Committee regarding the formation of adequate Indian shipping ?

The Honourable Sir Saiyid Sultan Ahmad : (a) No, Sir.

(b) and (c). In the absence of a copy of the proceedings I am unable to give the required information.

Mr. T. S. Avinashilingam Chettiar : May I know, Sir, when the proceedings were completed ?

The Honourable Sir Saiyid Sultan Ahmad : I have not got the exact date, but I think it must have been finished some time in the beginning of June.

Mr. T. S. Avinashilingam Chettiar : What is the cause of delay in getting these proceedings ? It is now three or four months ?

The Honourable Sir Saiyid Sultan Ahmad : I have no knowledge.

Mr. T. S. Avinashilingam Chettiar : Will Government take steps to see that the proceedings of such important meetings reach them as soon as possible.

The Honourable Sir Saiyid Sultan Ahmad : They will come in due course.

Prof. N. G. Ranga : May I know, Sir, if the Government of India were represented at this conference ?

The Honourable Sir Saiyid Sultan Ahmad : That question does not arise.

Mr. T. S. Avinashilingam Chettiar : May I know whether the Government will inquire into the reasons for the inordinate delay in getting these proceedings and will Government remind them ?

The Honourable Sir Saiyid Sultan Ahmad : I think by the time we write to them the proceedings will come out.

Mr. M. Ananthasayanam Ayyangar : Were any representations made at this conference or committee on behalf of the Government of India ?

The Honourable Sir Saiyid Sultan Ahmad : I said that as the proceedings have not come, I cannot give any definite answer.

Mr. M. Ananthasayanam Ayyangar : Were any instructions given as to what is to be done by our representatives there ?

The Honourable Sir Saiyid Sultan Ahmad : I am sure I answered that question a few days back.

Mr. S. Satyamurti : May I know, Sir, whether it is not the practice in the Government of India that proceedings of such important conferences at which India is represented are sent to India at the earliest possible moment, by the Indian delegates there ?

The Honourable Sir Saiyid Sultan Ahmad : I am telling the House that the proceedings have not come, but I hope that they will come in very soon.

Mr. S. Satyamurti : Will Government inquire into the causes for the inordinate delay in getting the proceedings of a conference, at which the Government of India were represented ? They have already taken about three or four months now.

The Honourable Sir Saiyid Sultan Ahmad : I gave the answer that we have made no inquiries, but I have no doubt that the report will come in due course.

Mr. S. Satyamurti : Will Government make inquiries, and find out the reasons for the inordinate delay in the submission of reports of proceedings of a conference at which the Government of India were represented ?

The Honourable Sir Saiyid Sultan Ahmad : We will do that, if the House desires.

CONSTRUCTION OF A SPACIOUS INTERMEDIATE CLASS WAITING ROOM AT GAYA.

782. ***Mr. Ram Narayan Singh :** Is the Honourable Member for Commerce and Railways aware that at Gaya railway junction station, the intermediate class waiting room is exceedingly small and if so, is he prepared to direct the local railway authority to construct a large and spacious intermediate class waiting room at Gaya like the one at Lucknow, Cawnpore and other places and thus remove the long standing grievance of the intermediate class passengers there ?

The Honourable Sir Saiyid Sultan Ahmad : With your permission, Sir, I will reply to questions Nos. 782 and 783 together. Government have no information on the points raised, but their policy is to leave such matters to the discretion of the Railway Administration, whose attention can be drawn to them through the Local Advisory Committee.

Prof. N. G. Ranga : Sir, in view of the fact that Gaya is an important station and there is no roof over the overbridge, are Government aware that passengers are not protected either from rain or sun ?

The Honourable Sir Saiyid Sultan Ahmad : I am aware of that.

Prof. N. G. Ranga : Will Government see that the overbridge is provided with a roof ?

The Honourable Sir Saiyid Sultan Ahmad : No.

Prof. N. G. Ranga : Why not ?

The Honourable Sir Saiyid Sultan Ahmad : Because there are so many stations at which the overbridges have no roofs or covers.

Seth Govind Das : Since Gaya is an important station for pilgrims, will Government take the necessary action to provide a roof for the overbridge ?

The Honourable Sir Saiyid Sultan Ahmad : The matter ought to be brought to the notice of the Local Advisory Committee.

Pandit Lakshmi Kanta Maitra : In view of the fact that Gaya is an important pilgrim station, does not the Honourable Member propose to send down these questions and answers to the authorities of the E. I. R. to take such action as they may think necessary ?

The Honourable Sir Saiyid Sultan Ahmad : I submit this is a matter really within the discretion of the Railway Administration concerned, and if the matter is brought to their notice, perhaps they may be able to take action.

Pandit Lakshmi Kanta Maitra : I am asking the Honourable Member, if he will bring this matter to the notice of the E. I. R. authorities ?

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member has said that there is an Advisory Committee and they can bring the matter to the notice of the E. I. R. Administration.

Seth Govind Das : Is it not necessary, Sir, that since Gaya is an important pilgrim station, the Government of India should bring this matter to the notice of the E. I. R. authorities ?

Mr. President (The Honourable Sir Abdur Rahim) : There can be no argument.

Mr. Sri Prakasa : When the local machinery does not work, cannot a push be given from this place ?

Mr. Ram Narayan Singh : Sir, The question is mine and I have not been able to put any supplementary question, and so I want your permission to put only one supplementary question.....

Mr. President (The Honourable Sir Abdur Rahim) : Order, order. You cannot carry it any further.

WANT OF INTERMEDIATE CLASS WAITING ROOMS AT HAZARIBAGH ROAD AND KODRAMA STATIONS.

†783. ***Mr. Ram Narayan Singh :** Is the Honourable Member for Commerce and Railways aware that there are no intermediate class waiting rooms at the Hazaribagh Road station and the Kodrama station on the Grand Chord Line and if so, is he prepared to instruct the authorities concerned to build suitable intermediate class waiting rooms there ?

PROPOSALS TO CONSTRUCT RAILWAY LINES FROM GAYA TO SHERGATTI, HAZARIBAGH ROAD STATION TO HAZARIBAGH TOWN AND BARKAKHANA TO RANCHI TOWN.

784. ***Mr. Ram Narayan Singh :** Will the Honourable Member for Commerce and Railways be pleased to state if there were proposals to construct railway lines from Gaya to Shergatti, from the Hazaribagh Road

†For answer to this question, see answer to question No. 782.

station to the Hazaribagh town and from the Barkakhana station to the Ranchi town, and if so, what is the present intention, contemplation or decision of the Railway Department concerned with regard to those proposals ?

The Honourable Sir Saiyid Sultan Ahmad : Yes, but the prospects of all three lines have been examined and were so poor that there is no present intention of constructing these lines.

Mr. Ram Narayan Singh : May I know, Sir, whether in constructing any new railway line the local needs of the people are considered or only the Imperial concern of the Government is taken into consideration ?

The Honourable Sir Saiyid Sultan Ahmad : All.

REDUCTION OF STAFF IN THE REFORMS OFFICE.

785. ***Mr. Mohan Lal Saksena :** Will the Honourable the Leader of the House be pleased to state the number of hands reduced in the Reforms Office, Government of India, since 1st April, 1937, and their salaries ?

The Honourable Sir Nripendra Sircar : Consequent on the completion of work connected with the introduction of Provincial Autonomy on the 1st April, 1937, the following posts came under reduction in the Reforms Office :

| Posts. | Salary per mensem. |
|------------------------|---------------------------|
| | Rs. |
| One Joint Secretary .. | 3,000. |
| One Superintendent .. | 680. |
| Two Assistants | 230 and 150 respectively. |
| Six clerks | 60 each. |
| Six peons | 14 each. |

Mr. Mohan Lal Saksena : May I know, Sir, how many Secretaries are working at present ? One Joint Secretary was reduced ?

The Honourable Sir Nripendra Sircar : I am not sure, but if my friend wants an accurate answer, he must give me notice. I think there is a Secretary, one Joint Secretary and a Special Officer, but I cannot vouch for the correctness of the answer.

Seth Govind Das : What has been the proportion of reduction in expenditure ?

The Honourable Sir Nripendra Sircar : I cannot say that.

PARKING OF TONGAS AND *Ekkas* AT LUCKNOW JUNCTION STATION.

786. ***Mr. Mohan Lal Saksena :** (a) Will the Honourable Member for Commerce and Railways be pleased to state whether it is a fact that at the Lucknow junction station (East Indian Railway) only such tongas and *ekkas* are allowed to park within the station compound as pay a certain daily sum to the contractor ? If so, how much is paid ? What is the total number of tongas and *ekkas* on an average that park daily ?

(b) Since when has the contract system been introduced and how much money does the contractor pay to the Railway ?

(c) Is the contract advertised and tenders invited ?

(d) Will Government lay on the table a copy of the contract ?

(e) Are Government prepared to consider the advisability of changing the contract system and themselves appointing Traffic Inspectors to regulate traffic and charging a small fee from the tongas parking within the station compound, as it would bring greater income to the Railway and be convenient and cheaper to the tonga and *ekkawallas* ?

(f) If the reply to part (e) be in the negative, are Government prepared to consider the feasibility of giving the contract to the Tonga and *Ekka* Drivers Unions, wherever they exist, instead of giving it to individuals to save unnecessary harassment to the *ekka* and tonga drivers ?

The Honourable Sir Saiyid Sultan Ahmad : (a) The answer to the first part of this question is in the affirmative, but Government have no information of the details of working at Lucknow station referred to in the latter part of the question, viz., the amount paid and the total number of tongas and *ekkas* that on the average park daily.

(b) Government have no information, but it will be called for in respect of the date of introduction of the contract system and a reply will be laid on the table in due course.

(c) Yes.

(d) A blank copy of the form of contract entered into in such cases is being called for and will be laid on the table in due course.

(e) and (f). These are matters for the consideration of the Railway Administration concerned and the Honourable Member's suggestion will be conveyed to the Agent for his consideration.

HOURS OF DUTY OF THE BOOKING CLERKS AT SHOLAPUR STATION.

787. ***Mr. N. V. Gadgil :** Will the Honourable Member for Commerce and Railways state :

(a) whether it is a fact that the coaching staff on the Great Indian Peninsula Railway is to be on duty for more than eight hours a day ; and

(b) whether it is a fact that the booking clerks at Sholapur station are obliged to work twelve hours a day and eighteen hours on Saturdays ?

The Honourable Sir Saiyid Sultan Ahmad : Government have no information. I may add for the information of the Honourable Member that the Hours of Employment Regulations are in force on the Great Indian Peninsula Railway and Government have no reason to think that they are being infringed. I am, however, sending a copy of the questions to the Supervisor, Railway Labour, for such action as he may consider necessary.

**EFFECT ON INDIAN TRADE DUE TO UNSETTLED CONDITIONS IN THE
MEDITERRANEAN.**

788. ***Mr. M. Ananthasayanam Ayyangar** : Will the Honourable Member for Commerce and Railways be pleased to state what, if any, is the adverse effect on the Indian trade due to the disturbances and unsettled conditions in the Mediterranean ?

The Honourable Sir Saiyid Sultan Ahmad : I am not in possession of any data which indicates that conditions in the Mediterranean have had any adverse effect on Indian trade.

EFFECT ON INDIAN TRADE DUE TO HOSTILITIES BETWEEN CHINA AND JAPAN.

789. ***Mr. M. Ananthasayanam Ayyangar** : Will the Honourable Member for Commerce and Railways be pleased to state :

(a) whether the present hostilities between China and Japan have adversely affected Indian trade ; and

(b) if so, to what extent ?

The Honourable Sir Saiyid Sultan Ahmad : The Honourable Member is referred to the reply given by me to Mr. Avinashilingam Chettiar's starred question No. 399 on the 8th September, 1937.

Mr. T. S. Avinashilingam Chettiar : May I know whether Government are aware of the news report from Bombay that the Japanese are not purchasing any more cotton from India ?

The Honourable Sir Saiyid Sultan Ahmad : I submit that that question does not arise out of the answer I have given.

Mr. S. Satyamurti : Have Government any information as to the off-take of cotton from India by Japan, during the last few weeks ?

The Honourable Sir Saiyid Sultan Ahmad : My answer on the last occasion was that obviously it was too early to estimate the effect of the Japanese and Chinese hostilities on Indian trade and commerce and that we had not got any definite data.

Mr. S. Satyamurti : I want to know whether Government have obtained any information during the last few weeks, in view of certain statements in the press, confirming or contradicting the information that Japan is not purchasing as much cotton as she used to from India, due to the hostilities ?

The Honourable Sir Saiyid Sultan Ahmad : We have no such definite information though reports have come to us. But we are taking steps to enquire as to what is the real position. We have taken steps to that effect.

Prof. N. G. Ranga : Have Government seen the reports published in the *Hindu* of Madras that the Japanese imports of Indian tobacco have gone down considerably during the last few weeks ?

The Honourable Sir Saiyid Sultan Ahmad : My attention has not been drawn to that particular statement.

Prof. N. G. Ranga : Will Government enquire ?

The Honourable Sir Saiyid Sultan Ahmad : I said that I was enquiring.

ENQUIRY INTO THE BENGAL NAGPUR RAILWAY STRIKE AFFAIRS.

790. ***Mr. K. S. Gupta :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether Mr. Mudie was appointed to inquire into the Bengal Nagpur Railway strike affairs with the full concurrence of the Agent, Bengal Nagpur Railway only ;
- (b) whether the Bengal Nagpur Railway Indian Labour Union was consulted in the matter of selection of personnel of the enquiry committee, if not, why not ;
- (c) whether the Trade Union Act provides for the representation of both the parties in an Enquiry Committee with an independent Chairman of the status of a High Court Judge ; and
- (d) whether the terms offered by the Agent, Bengal Nagpur Railway to the Labour Union on 22nd January, 1937, differ from those offered by him on 6th February, 1937, or whether the latter set is only a modification of the former ?

The Honourable Sir Saiyid Sultan Ahmad : (a) and (b). The Agent, Bengal Nagpur Railway, agreed to the enquiry being held. Neither the Agent nor the Union were consulted as to the appointment of Mr. Mudie as it was not considered necessary to consult them.

(c) I am unable to trace any such provision in the Act referred to.

(d) The terms were different. The Agent's offer of 22nd January, 1937, expired on the 28th January, 1937 ; his offer of 6th February, 1937, was a new offer.

Prof. N. G. Ranga : Was it not a fact that the offer made on the 6th February, 1937, was only a continuation of the earlier offer made on the 22nd January ?

The Honourable Sir Saiyid Sultan Ahmad : No.

ENQUIRY INTO THE BENGAL NAGPUR RAILWAY STRIKE AFFAIRS.

791. ***Mr. K. S. Gupta :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether Mr. Mudie prepared a narrative of events long before the enquiry was begun ;
- (b) whether Mr. Mudie examined and cross-examined both the administration and the labour representatives as in a Court of Enquiry ;
- (c) whether it is a fact that no mention was made of the efforts of the Union to negotiate with the Agent with regard to the Bhojudih trouble in the statement of facts prepared by Mr. Mudie from the records supplied by the administration ; and

- (d) whether Mr. Mudie altered paragraphs 21 to 28 occupying eight pages of the original narrative and redrafted the same into nineteen pages when the fact abovementioned (i.e., the Bhojudih affair) was brought to his notice by the representatives of the Labour Union ?

The Honourable Sir Saiyid Sultan Ahmad : (a) No.

(b) Mr. Mudie examined many of the officers of the Bengal Nagpur Railway Administration. The representatives of the Union did not present themselves for examination.

(c) and (d). Government have no information. I would, however, refer the Honourable Member to Mr. Mudie's report which contains an account of the Bhojudih affair.

Prof. N. G. Ranga : Is it not a fact that the representatives have withdrawn themselves from this enquiry as a protest against the wrong ruling given by Mr. Mudie ?

The Honourable Sir Saiyid Sultan Ahmad : I do not accept that the ruling was wrong.

Mr. Mohan Lal Saksena : Is it not a fact that before the representatives came in Mr. Mudie had prepared a statement in consultation with the officers of the Bengal Nagpur Railway ?

The Honourable Sir Saiyid Sultan Ahmad : No.

Mr. Mohan Lal Saksena : Has the Honourable Member read the report itself ? In the report it is mentioned that before the representatives came in Mr. Mudie was on the spot and prepared his statement.

The Honourable Sir Saiyid Sultan Ahmad : If my Honourable friend has got the information there is nothing to ask me.

Mr. Mohan Lal Saksena : I wanted to find out how much information the Honourable Member has got.

Mr. President (The Honourable Sir Abdur Rahim) : That is not the legitimate object of these questions. Next question.

The Honourable Sir Saiyid Sultan Ahmad : I have got all the information that is available.

ENQUIRY INTO THE BENGAL NAGPUR RAILWAY STRIKE AFFAIRS.

792. ***Mr. K. S. Gupta :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether there was any request on the part of the Labour Union to the Agent to make a personal investigation into the troubles of Adra and Bhojudih with regard to *satyagrah*, etc., before the strike ;
- (b) whether the Indian Labour Union of the Bengal Nagpur Railway applied to Government for a Board of Conciliation before they resorted to strike ;

- (b) whether it is or is not a fact that the Agent, Bengal Nagpur Railway kept the letter of the Honourable Mr. Giri, dated the 26th January, 1937, without any response till the 6th February, 1937, in spite of the Honourable Member for Railways assurance to the Honourable Mr. Giri that he would receive a reply from the Agent direct before the 28th January, 1937; what are the causes of such delay;
- (d) whether the Agent, Bengal Nagpur Railway, offered himself to enquire into the question of 'pass rules' and 'short time work' in the districts along with an independent officer appointed by the Government, when the Union demanded for such an enquiry into the troubles with regard to 'pass rules' and 'short time work';
- (e) whether it is a fact that the Agent, Bengal Nagpur Railway, had no knowledge how 50 men from the Adra district had been selected not to be taken back subsequent to the strike; and
- (f) whether Government are aware that the Agent's refusal to investigate into the troubles at Adra and Bhojudih and his dismissal of *satyagrahis* is responsible for the strike?

The Honourable Sir Saiyid Sultan Ahmad : (a) No. I would, however, refer the Honourable Member to paragraphs 40 and 41 of Mr. Mudie's report.

(b) No. I would, however, refer the Honourable Member to the press communiqué, dated the 14th January, 1937, issued by the Government of India, Department of Industries and Labour, which referred to a proposal received from Mr. V. V. Giri, on the 28th December, 1936, requesting the appointment of a Board of Conciliation under the Trade Disputes Act in connection with the strike on the Bengal Nagpur Railway which was then in progress.

(c) Government have no information

(d) Government are aware that in the terms of settlement offered by the Agent, Bengal Nagpur Railway, on the 22nd January, 1937, he had *inter alia*, agreed, that the items mentioned in a memorandum contained in the Union's strike notice should be examined by himself and an independent officer. This, however, did not form part of the terms offered by the Agent, Bengal Nagpur Railway, on the 6th February, 1937, on the basis of which the strike was eventually called off.

(e) Government have no information.

(f) Government are unable to accept the allegations made.

Prof. N. G. Ranga : With reference to the answer to part (c) of the question, is it or is it not a fact that the Honourable Member for Government keeps or has kept a brief summary of the results of the course of conversations that he had with Mr. Giri, and, if so, why is it.....

The Honourable Sir Saiyid Sultan Ahmad : I never had conversation with Mr. Giri.

Prof. N. G. Ranga : No ; I mean the Honourable Member's predecessor, the permanent Member, and if so, why is it that the Government Member has said in reply to this part of the question, No ?

The Honourable Sir Saiyid Sultan Ahmad : Because they have no information of this. I do not know. I have never seen the letter.

Mr. Ram Narayan Singh : May I know what are the reasons why the Conciliation Board was not constituted by the Government to settle the dispute as provided in the Trade Disputes Act ?

The Honourable Sir Saiyid Sultan Ahmad : I think I answered this question that the enquiry was not under the Trade Disputes Act at all.

Mr. Ram Narayan Singh : Why ?

The Honourable Sir Saiyid Sultan Ahmad : Because it was under the departmental rules.

Prof. N. G. Ranga : Why is it that when the Bengal Nagpur Railway Union had asked for the constitution of a Conciliation Board Government had not appointed it, but instead they appointed Mr. Mudie to conduct a departmental enquiry which has resulted in such disastrous results ?

The Honourable Sir Saiyid Sultan Ahmad : I do not accept the last part of the question that it has ended in disastrous results, and secondly, the enquiry was not, as I have pointed out, under the Trade Disputes Act.

Prof. N. G. Ranga : Was not the request made to the Government of India that this enquiry should be ordered under the Trade Disputes Act ?

The Honourable Sir Saiyid Sultan Ahmad : I do not know.

ENQUIRY INTO THE BENGAL NAGPUR RAILWAY STRIKE AFFAIRS.

793. ***Mr. K. S. Gupta** : Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether the administration kept on outside the normal cadre certain outsiders taken on during the strike ;
- (b) whether some strikers were declared as surplus due to the retention of black-legs ;
- (c) whether some juniors were overlooked in promotions due to their participation in strike ;
- (d) the basis adopted by Mr. Mudie in the selection of a few cases only out of several cases to be enquired into by the terms of reference ;
- (e) whether it is a fact that 160 men were selected for promotion for their services in the strike instead of 50 men according to the statement of the Agent ;
- (f) whether tried fitters of services of 12 to 24 years working on salaries ranging from Rs. 50 to 80 were refused to be taken back because of their participation in the strike ;

- (g) whether the 50 promoted men according to the Agent during the period between the dismissal of *satyagrahis* and the commencement of the strike were made to enter an agreement to the effect that the promotions were definitely made on a temporary basis ;
- (h) whether it is a fact that one man Khadir was given a promotion from Rs. 75 to about Rs. 200 soon after the strike just because he deserted the Union during the strike ; and
- (i) whether one Mr. Ramana Rao was given a special and extraordinary promotion because he advised the authorities not to yield to the strike since the strike would fizzle out due to starvation of the several families of the strikers ?

The Honourable Sir Saiyid Sultan Ahmad : (a) to (c) and (e) to (g). Available information is contained in paragraphs 8, 9, 12 and 13 of Mr. Mudie's report.

(d) The Honourable Member is referred to paragraph 6 of Mr. Mudie's report.

(h) and (i). Government have no information.

Prof. N. G. Ranga : In view of the fact that the report of Mr. Mudie has not been placed on the table of the House is it proper for the Honourable Member to refer to it in his answers ?

Mr. President (The Honourable Sir Abdur Rahim) : So many questions are being asked on the report, that I take it that it is available.

Prof. N. G. Ranga : It was made available to a few Members to whom the Government was pleased to send copies.

Mr. President (The Honourable Sir Abdur Rahim) : I do not think that every Member of the House wants it.

The Honourable Sir Saiyid Sultan Ahmad : I placed it on the table of the House, Sir.

Mr. Mohan Lal Saksena : Is it not a fact that recently the Railway Board have sanctioned Rs. 12 lakhs as compensation to non-strikers on the Bengal Nagpur Railway ?

The Honourable Sir Saiyid Sultan Ahmad : I should require notice.

Prof. N. G. Ranga : What is the reply to part (i) of the question ?

The Honourable Sir Saiyid Sultan Ahmad : I have given that.

ENQUIRY INTO THE BENGAL NAGPUR RAILWAY STRIKE AFFAIRS.

794. ***Mr. K. S. Gupta :** Will the Honourable Member for Commerce and Railways be pleased to state :

- (a) whether it is a fact that one Mr. K. Surya Narayana who joined the Railway service in 1911 (*i.e.*, 25 years of service) was removed from service after the strike due to the prominent part played by him as an official of the Indian Labour Union of Khargpur during the strike ;

- (b) what was his pay when he was discharged ;

†A copy has been placed in the Library of the House.

- (c) whether he worked in the dual capacity of a factory manager and establishment clerk since 1929 of the Khargpur station committee ;
- (d) whether the ice and aerated factory at Khargpur worked at a profit ever since he took charge of it as a manager specially selected by Colonel Anderson in 1928, when it was running at a loss ; and
- (e) whether two people are now doing the work of Babu K. Surya Narayana as a manager of the factory ?

The Honourable Sir Saiyid Sultan Ahmad : (a) No. I would refer the Honourable Member to paragraph 16 of the Report on certain matters relating to the settlement of the 1936-37 strike on the Bengal Nagpur Railway by Mr. R. F. Mudie, a copy of which is in the Library of the House.

(b) to (e). Government have no information.

GUARDS ON THE BENGAL AND NORTH WESTERN RAILWAY.

195. *Babu Kailash Behari Lal : (a) Will the Honourable Member for Commerce and Railways be pleased to state if it is a fact that an Anglo-Indian boy who is still a minor is working as a guard on the Bengal and North Western Railway and runs on duty between Kutihar and Cawnpore on the main line ?

(b) What is the number of guards on the Bengal and North Western Railway and how many of them are Anglo-Indians and how many are Indians ?

The Honourable Sir Saiyid Sultan Ahmad : (a) I am obtaining information and will lay a reply on the table of the House in due course.

(b) Government have no information. The staff referred to by the Honourable Member are not Government servants, but are the servants of the Bengal and North Western Railway Company. I may, however, add that in making direct recruitment to their services, the Bengal and North Western Railway have agreed to follow the communal percentages laid down by Government.

Babu Kailash Bihari Lal : May I know if the Honourable Member has made any inquiries from the railway authorities ?

The Honourable Sir Saiyid Sultan Ahmad : I said that I am obtaining the information.

Mr. Sri Prakasa : Will Government consider the desirability of recommending to the railway to give some gratuity to this boy for the services of his late father, instead of giving him such a responsible office. What I am suggesting is a fact.

The Honourable Sir Saiyid Sultan Ahmad : I must be sure about the facts.

WITHDRAWAL OF LUGGAGE PASSES OF INFERIOR RAILWAY SERVANTS ON TRANSFER.

796. *Mr. Lalchand Navalrai : (a) Will the Honourable the Railway Member be pleased to state whether it is a fact that a circular has been issued recently by the Railway Board, that employees in inferior services of the State Railways will not be entitled to any extra luggage on transfer from one station to another, excepting 30 seers per adult and 15 seers per child, as permissible on free passes ?

(b) What were the reasons for withdrawal of luggage passes to inferior railway servants on transfer ?

(c) Is it a fact that transfers are most common on the railway for inferior staff and the transfers are made in the interests of railway service ? If so, how do Government justify withdrawal of luggage passes ?

(d) Are Government aware that the Provincial Governments specially of Sind and Bombay do allow freight for 12 to 15 maunds luggage to an employee in inferior service on transfer from one place to the other ?

(e) Do Government propose to restore luggage transfer passes to these low paid inferior staff ? If not, why not ?

The Honourable Sir Saiyid Sultan Ahmad : (a), (b), (c) and (e). No circular was issued by the Railway Board prohibiting the grant of luggage passes to inferior staff on transfers. It may, however, be explained that recently on a reference from some of the railways, they were informed that Supplementary Rule 122 and not Supplementary Rule 119 governed the transfers of inferior servants. Under Supplementary Rule 122 inferior servants are entitled on transfer to travelling allowance as for a journey on tour, i.e., for journeys by rail, to a free third class pass for self and for luggage actually carried up to 25 seers. It may be that as the result of this correspondence some railways may have withdrawn the concession of free passes for extra luggage, etc., on transfer, which were allowed in practice locally by individual railways. Railways, as I informed the House a few days ago, have been informed that the concession should continue.

(d) Government have no information on this point.

FIXATION OF A LIMIT FOR RAILWAY OFFICER'S STAY AT ONE PLACE.

797. *Mr. Lalchand Navalrai : (a) Will the Honourable the Railway Member be pleased to state the maximum period for which railway officers stay at one station, office or division ?

(b) If no such period is fixed are Government prepared to fix a suitable limit for each officer's stay at a particular post, station or division ? If not, why not ?

(c) Is it a fact that the principle of transfers after a certain period has been initiated for the special ticket examiners on the North Western Railway and these special ticket examiners have been transferred to other divisions ?

(d) Is it also a fact that this principle of reasonable stay in each division or post has also been applied to Watch and Ward Inspectors of the North Western Railway ?

(e) If the reply to parts (c) and (d) above be in the affirmative, why is not the same principle applied to Inspectors, Supervisors, and officers on the Indian State Railways ?

(f) Is it a fact that Divisional Officers and Divisional Superintendents are consulted in regard to their postings on the North Western Railway ? If so, are Government prepared to extend the same principle to the upper subordinate services as well ? If not, why not ?

The Honourable Sir Saiyid Sultan Ahmad : (a), (b) and (e). The posting of an officer to a station, office or division depends on the exigencies of service. No maximum period has been fixed nor do Government consider it necessary to fix any limit.

(c) and (d). Government have no information. These are matters of detailed administration within the competence of the Agent, North Western Railway, to deal with. I am, however, sending a copy of the question to the Agent for such action as he may consider necessary.

(f) The reply to the first part of the question is in the negative ; the latter parts do not arise.

Mr. Lalchand Navalrai : May I know from the Honourable Member whether a maximum limit should be fixed for these transfers ?

The Honourable Sir Saiyid Sultan Ahmad : Government do not consider it necessary.

Mr. Lalchand Navalrai : May I know why they do not consider it necessary ?

The Honourable Sir Saiyid Sultan Ahmad : Because they do not consider it necessary.

Mr. Lalchand Navalrai : I still want to know why ?

APPLICABILITY OF THE GOVERNMENT SERVANTS' CONDUCT RULES TO RAILWAY SERVANTS.

798. ***Mr. Lalchand Navalrai :** (a) Will the Honourable the Railway Member be pleased to state whether the Government Servants Conduct Rules published in the Gazette of India, dated the 27th December, 1935, apply to railway servants in the subordinate service ?

(b) Have the Local Government issued any special or general orders under rule 4 (d) of the Government Servants Conduct Rules in connection with attendance by a Government servant at farewell entertainments held as a mark of regard to himself or to any other Government servant on retirement or departure from station ? If so, will Government be pleased to lay a copy of the said orders on the table of the House ?

(c) Are Government servants in the Railway Department permitted to take presents from members of the staff ? If so, have Government prescribed the maximum value of such presents ? If so, what ?

(d) If Government servants in the Railway service are not permitted to take any presents from the members of staff on their transfer or retirement, will Government be pleased to state if cases of such presents accepted by railway officials have come to the notice of Government or the Agent, North Western Railway ?

(e) If the reply to the second part of part (d) above be in the affirmative, will Government be pleased to state the action taken in the matter ?

The Honourable Sir Saiyid Sultan Ahmad : (a) and (b). The rules referred to by the Honourable Member are not applicable to Government Servants in railway service who are governed by the Government Servants' Conduct Rules, corrected up to July, 1926, a copy of which is in the Library of the House.

(c) As regards the first part, I would refer the Honourable Member to Rule 2 of the Government Servants' Conduct Rules referred to in my reply to part (a) above. The latter parts do not arise.

(d) No cases of violation in this respect of the Government Servants' Conduct Rules have come to the notice of Government. Government have also no reason to presume that the Rules in this respect have been contravened on the North Western Railway.

(e) Does not arise.

Mr. Lalchand Navalrai : With regard to part (e), may I take it that they are permitted to take presents to any extent ?

The Honourable Sir Saiyid Sultan Ahmad : I have said nothing of the kind.

Mr. Lalchand Navalrai : I would like to know whether there is any rule or order that they should not take presents on transfer or from any of the staff ?

The Honourable Sir Saiyid Sultan Ahmad : I would refer the Honourable Member to rule 2 of the Government Servants' Conduct Rules. I said that no violation of this rule has been brought to the notice of the Government.

Mr. Lalchand Navalrai : May I know from the Honourable Member whether this rule prohibits presents or not ?

The Honourable Sir Saiyid Sultan Ahmad : I would refer the Honourable Member to the rule itself.

PROMOTION OF BOOKING CLERKS ON THE NORTH WESTERN RAILWAY.

799 ***Mr. Lalchand Navalrai :** (a) Will the Honourable the Railway Member be pleased to state whether it is a fact that Booking Clerks on the North Western Railway have to take cash from all Departments at the station, including dues from vendors and other outside persons or departments and also to make payments to the staff under the Wages of Payment Act, 1936 ?

(b) Is it a fact that the channel of promotion for Booking Clerks on the North Western Railway is too slow as compared with their colleagues in other branches of service ? If so, what action do Government propose to direct that the scales of pay of the Booking Clerks on North Western Railway be revised, or more higher grade appointments be sanctioned for them ?

(c) Is it a fact that Booking Clerks are not eligible for promotion as :

- (i) Special Ticket Examiners.
- (ii) Assistant Claims Inspectors.
- (iii) Guards,
- (iv) Yard Foremen,
- (v) Enquiry Clerks,
- (vi) Assistant Sales Inspectors !

(d) If the reply to part (c) above be in the affirmative, will Government be pleased to state reasons for depriving Booking Clerks from transfer to the lines referred to in part (c) on promotion ?

(e) If the Booking Clerks on the North Western Railway are eligible for transfer on promotion to posts referred to in part (c) above, are Government aware that no Booking Clerk has since been taken up in these appointments ?

(f) Is there any machinery by which the Railway authorities are able to test whether a particular station has work which would warrant increase in the grade of the post ? If so, what are the tests applied ?

(g) If no such machinery exists, do Government propose to direct that a permanent Board be set up to which the employees or their Unions may appeal when scales or grade of a particular post is not in consonance with the importance and responsibility of a particular post ? If not, why not ?

The Honourable Sir Saiyid Sultan Ahmad : (a) to (g). I am obtaining all the information and will lay a reply on the table of the House in due course.

DIVIDENDS PAID BY THE BENGAL PROVINCIAL RAILWAY.

800. *Mr. Suryya Kumar Som : (a) Will the Honourable the Railway Member please state whether the Bengal Provincial Railway is a guaranteed railway ?

(b) Have not Government also guaranteed its Deshghara-Jamalpore-ganj extension ?

(c) When did the company pay dividends to its shareholders of the extension last ?

(d) Is it a fact that the company has been paying dividends to some shareholders but not to all ?

(e) Is the Honourable Member aware that the company has not paid even the guaranteed dividends to its shareholders for the last three years and in some cases for a longer period, and is the Honourable Member prepared to take steps so that the shareholders may get at least the guaranteed dividends regularly ?

The Honourable Sir Saiyid Sultan Ahmad : (a) No.

(b) The terms of the guarantee in respect of Dasghara-Jamalpur-ganj Extension are stated in the contract, dated the 1st of August, 1919, between the Secretary of State for India in Council and the Bengal Provincial Railway Company, Limited, a copy of which has been placed in the Library of the House.

(c) The Directors' report for 1935-36 states that payment of dividends has been stopped from 1934-35.

(d) Government have no information.

(e) It will be seen from the contract above referred to that no guarantee for the payment of dividends to share-holders exists. The only information at present available to Government is that given in reply to part (c) above. This is the Director's Report. Government are prepared to do anything that they are entitled to do under the contract in the interests of the share-holders, and the question is being carefully examined.

PROPOSALS FOR THE AMENDMENT OF THE GOVERNMENT OF INDIA ACT.

801. ***Mr. C. N. Muthuranga Mudaliar** : (a) Will the Honourable the Leader of the House please state whether there are any proposals at present under the consideration of the Government of India or of the United Kingdom for the amendment of the Government of India Act, 1935, and if so, what are they ;

(b) Whether there is any proposal for the amendment of the Act so as to empower the Governor-General to nominate to the Federal Assembly a certain number of persons as in the case of the Council of State, and if so, the reasons for it ; and

(c) Whether the Provincial Governments and this House will be consulted before further action is taken ?

The Honourable Sir Nripendra Sircar : I regret, in the public interest, I am not in a position to make any statement on the questions raised by the Honourable Member.

Mr. C. N. Muthuranga Mudaliar : May I know whether there is any truth in this rumour ?

Mr. President (The Honourable Sir Abdur Rahim) : I don't think the Honourable Member can ask a question like that.

Mr. T. S. Avinashilingam Chettiar : Were the Government in a position to deny it ?

Mr. S. Satyamurti : Have Government seen a Reuter's telegram yesterday morning in the newspapers that proposals are pending before His Majesty's Government for the amendment of the Act, with a view to obliging the Princes, in connection with certain matters in regard to which difficulties arose ?

The Honourable Sir Nripendra Sircar : My attention has been drawn to it and also a subsequent contradiction.

Mr. S. Satyamurti : By whom ?

The Honourable Sir Nripendra Sircar : In the same quarters.

Mr. S. Satyamurti : May I ask whether the Honourable Member can throw any light on that telegram ?

The Honourable Sir Nripendra Sircar : I refuse to throw any light.

MESSAGE ENTITLED "ALLEGED FRAUD ON INDIANS—HIGH COMMISSIONER'S WARNING" PUBLISHED IN THE *Hindustan Times*.

802. *Mr. T. S. Avinashilingam Chettiar : Will the Honourable the Commerce Member state :

- (a) whether he is aware of the Associated Press of India message in the *Hindustan Times*, dated the 28th August, 1937, titled 'Alleged fraud on Indians—High Commissioner's warnings' ;
- (b) how many people who wanted to borrow in England were deceived ;
- (c) what is the extent of the loss suffered by them ; and
- (d) whether any attempts have been made to trace the culprits in England and bring them to book ?

Mr. Y. N. Sukthankar : (a) I have seen the message referred to by the Honourable Member. I may mention that that message is based on the notice that was published by the Director General of Commercial Intelligence and Statistics at the instance of the High Commissioner for India in the *Indian Trade Journal* of the 26th August, 1937, for the information and guidance of all concerned.

(b) to (c). The Government have no information.

(d) It is for the individuals concerned in India to take the initiative in the matter.

Mr. T. S. Avinashilingam Chettiar : May I know from the Honourable Member whether the Government will kindly inquire into the matter and see whether people have really lost and take steps to recover the money ?

Mr. Y. N. Sukthankar : My Honourable friend knows that a fool and his money are easily parted and it is no use making inquiries.

Mr. T. S. Avinashilingam Chettiar : Is it not the duty of Government to take steps to see that this fraud is not committed ?

Mr. Y. N. Sukthankar : We warned all concerned. I might inform the Honourable Member that I was myself in the High Commissioner's Office at the time and any one who represented to us was at once warned about this particular company.

Mr. T. S. Avinashilingam Chettiar : Did any one complain and ask for help ?

Mr. Y. N. Sukthankar : Not as far as I am aware. It is for the man concerned to take action.

Mr. Sri Prakasa : In view of the Honourable Member's remark that fools and their money part company, will the Government take steps now to abolish all their penal codes, so that no thieves and swindlers may be punished ?

Mr. Y. N. Sukthankar : That does not arise.

AMENDMENT OF THE HINDU WOMEN'S RIGHT TO PROPERTY ACT.

803. *Babu Kailash Behari Lal : Will the Honourable the Law Member be pleased to state :

- (a) if anomalies in the recently passed Hindu Women's Right to Property Act, have been pointed out on pages 129-130 of *The Calcutta Weekly Notes* in the issue of that paper of the 12th July, 1937;
- (b) if Government have taken notice of the anomalies pointed out and are considering bringing up amendments ;
- (c) if he is aware that the coming into force of the said Act, from the date of assent by the Governor General has deprived the Hindu widows of the advantages of the Act whose husbands died even one day before the assent by the Governor General ;
- (d) if it is not a fact that the retrospective effect to the Act was feared on the ground that it might cause disturbance and litigation in the families where already things might have settled down on the death of a co-parcener long ago ; if so, whether Government propose to consider the desirability of so amending the Act as to give it retrospective effect for a year only, so that at least the widows who entertained high hopes since the introduction of the Bill in the Legislature might get the relief under the Act ; and
- (e) if Government propose to see their way to so amend the Act as to give some sort of relief as a matter of right to all the widows living in a coparcenary family who are not expected to get any benefit under the Act ?

The Honourable Sir Nripendra Sircar : (a) to (c). Yes.

(d) The consideration mentioned in the first part of the question does not appear to have been expressly advanced in the course of discussion on Dr. Deshmukh's Bill. As regards the second part, I am prepared to consider the suggestion, but I would point out that the burden of establishing a case for retrospective operation lies heavily on those who advocate such operation.

(e) Government propose to direct their attention to the removal of inherent anomalies and ambiguities and not to an enlargement of the intended scope of the Act.

Babu Kailash Behari Lal : In view of the sympathetic attitude of the Government towards the rights of the Hindu women, are Government prepared to bring a Bill in the next

Session regarding this question ?

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The Honourable Sir Nripendra Sircar : My Honourable friend is exaggerating the slight sympathy which I expressed.

(b) WRITTEN ANSWERS.

ASSISTANT SIGNAL ENGINEER APPOINTED ON THE BENGAL AND NORTH WESTERN RAILWAY.

804. *Maulvi Muhammad Abdul Ghani : (a) Will the Honourable Member for Commerce and Railways be pleased to state whether an Assistant Signal Engineer has been appointed on the Bengal and North Western Railway ? If so, when ? What is his name and what are his educational and technical qualifications ?

(b) Was this post advertised in newspapers ? If so, in which ?

(c) What is the number of applications received and the highest qualification of the Indian (Muslims and Hindus) candidates ?

The Honourable Sir Saiyid Sultan Ahmad : (a) to (c). Government have no information. I may add that the Bengal and North Western Railway, like other Company-managed Railways, have full powers in regard to recruitment of their staff. The Bengal and North Western Railway have, however, agreed to recruit superior staff on the basis of 25 per cent. Europeans and 75 per cent. Indians, and have also agreed to observe the communal percentages laid down by Government in making direct recruitment to their services.

WITHHOLDING OF PROTECTION GIVEN TO THE TATA IRON AND STEEL COMPANY AND LEASING OF LANDS BY THE COMPANY.

805. *Mr. Ram Narayan Singh : (a) Will the Honourable the Commerce Member be pleased to state whether Government are aware that the Tata Iron and Steel Company at Jamshedpore has made a large profit amounting to some five crores of rupees, in the year ending in March last and if so, in view of this big profit, is he prepared to consider the desirability of withholding the protection granted to the Company ?

(b) Is it a fact that though the lands at and near about Jamshedpore were acquired for the Company only at nominal prices, the Company has been leasing out the same to tenants intending to build houses thereon and to settle therein, at an exorbitant rate of rent and advance, and, if so, are Government prepared to take steps to stop this profiteering practice ?

The Honourable Sir Saiyid Sultan Ahmad : (a) The published accounts of the Tata Iron and Steel Company show that the net profits of the company for the year ending the 31st March, 1937, amounted to Rs. 1 crore 83 lakhs. As regards the latter part of the question, I would invite the Honourable Member's attention to the reply to Dr. Ziauddin Ahmad's question No. 330, during the last Delhi Session.

(b) The question relates to a Provincial subject and the Central Government have no information.

UNSTARRED QUESTIONS AND ANSWERS.

APPEALS FROM OWNERS OF TEA ESTATES AND CASES SENT TO GOVERNMENT BY THE INDIAN TEA LICENSING COMMITTEE.

172. **Mr. Kuladhar Chaliha** : Will the Honourable Member for Commerce and Railways please state :

- (a) the number of appeals received from the owners of tea estates against the decision of the Indian Tea Licensing Committee in the years 1933-34, 1934-35, 1935-36, 1936-37 ;
- (b) the number of cases sent by the Indian Tea Licensing Committee for orders by the Government of India during the above period ; and
- (c) the number rejected by the Government of India ?

The Honourable Sir Saiyid Sultan Ahmad : (a) to (c). The information is being collected and will be laid on the table of the House as soon as it is obtained.

CLASSIFICATION OF THE STAFF IN THE RAILWAY BOARD.

173. **Mr. Ram Narayan Singh** : Will the Honourable the Railway Member please state :

- (a) the Service (Classification, Control and Appeal) Rules under which the pensionable staff of the Imperial Secretariat Services serving with the Government of India Railway Department (Railway Board) are governed ;
- (b) the authority which classify the staff of the Imperial Secretariat Services with the Government of India Railway Department (Railway Board) as railway servants within the definition of section 3 (7) of Act IX of 1890 ;
- (c) the administration within the definition of section 3 (6) of Act IX of 1890 which employ the staff of the Imperial Secretariat Services as Railway servants within the definition of section 3 (7) of Act IX of 1890 ; and
- (d) whether the Government of India, Railway Department (Railway Board) is a Railway Administration within the definition of section 3 (5) and (6) of Act IX of 1890, and the difference between the Government of India Railway Department (Railway Board) and the Railway Administrations and whether these two administrations are parallel to each other or subordinate ; if so, to whom ?

The Honourable Sir Saiyid Sultan Ahmad : (a) Gazetted staff employed in the Government of India, Railway Department (Railway Board), are governed by the Railway Services (Classification, Control and Appeal) Rules, except those mentioned in rule 3 of these Rules,

a copy of which is in the Library of the House. These Rules do not, however, apply to non-gazetted railway servants, control in respect of whom is vested in the Governor General in Council under the Direction appended to the said Rules.

(b) I would refer the Honourable Member to rule 2 (b) of the Rules I have just quoted in reply to part (a) of this question. Section 3 (7) of Act IX of 1890 is not relevant.

(c) I would refer the Honourable Member to the reply given to part (a) above. The section of the Railways Act quoted by him is not relevant in connection with employment of staff in Railway Board's office.

(d) Yes, for the purposes of the section of the Railways Act referred to by the Honourable Member. The Railway Board is subordinate to the Honourable Member for Commerce and Railways and certain individual railway administrations are subordinate to the Railway Board.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 283 asked by Sardar Mangal Singh on the 26th January, 1937.

ENQUIRY INTO THE CONDUCT OF CAPTAIN H. B. S. BRAR OF THE POLITICAL DEPARTMENT OF THE GOVERNMENT OF INDIA.

The information promised to be placed on the table of the House being very bulky, it has been placed in the Library of the House.

Information promised in reply to a supplementary question asked by Mr. S. Satyamurti to Mr. Badri Dutt Pande's starred question No. 145 on the 27th August, 1937.

NOTES ON HIS VISIT TO THE ANDAMANS BY SIR MUHAMMAD YAMIN KHAN.

Some impressions of his visit to the Andamans, dated the 30th November, 1936, by Sir Muhammad Yamin Khan, Kt., M.L.A.

I am taking liberty of presenting my views and a narrative statement of what I saw in the Andaman Islands so that it may be of some use to you if any member of the Legislative Assembly asks you about my opinion thereon.

I am afraid this has become a little lengthy and touches even those points which have no bearing on political aspects but I thought that a comprehensive report might be interesting to those who want to know the conditions prevailing in the Andamans in detail.

We left Calcutta on the 9th of October 1936 in the morning and reached Port Blair in the early hours of the morning of the 12th of October by S.S. "Maharaja", the Chartered Boat of the Government.

A good reception was given to us by all the leading officials who came on board to receive us.

From the sea we could see the Andaman Islands, and the Port Blair Settlement looked just like a well kept park. The portion of the hill near Aberdeen Town on which Cellular Jail is situated looked like the Malabar Hill of Bombay and Raizada Hansraj on seeing the jail thought that it was the Chief Commissioner's castle. The

Boss Island is a beauty and looks beautiful from the sea. The sea was quiet during our voyage from Calcutta to the Port Blair and we kept cheerful spirits and were much impressed by the beauty of the islands. The guest-house was at the disposal of the Raizada Hansraj, his wife and son. I was therefore lodged in the adjoining house occupied by the Chief Medical Officer of the Settlement.

Dairy Farm.—In the afternoon we visited the Aberdeen Town and the main island and visited the Dairy Farm and the female hospital. I was pleased to see that Dairy Farm was doing so well. The Dairy Farm in my opinion is a necessity for the Settlement and should not only be encouraged but should be extended in its scope. She-buffaloes which are located in the old tea-factory are kept very clean and are a great asset for the nourishment of many who depend on milk food. Expenditure on Dairy Farm is most justified in my opinion.

Female Hospital.—The Female Hospital which we visited in the evening is very well situated and well looked after by Lady Doctor Miss Paull. The Chief Commissioner and other officials were with us when we went round this hospital. I saw more than fifty indoor patients and all women there told us that they were very well looked after. The whole thing looked very clean and up-to-date. The women patients were not only the local born but some females of the convicts also. I learned from the register that about hundred maternity cases were attended to in one year in this hospital. I am delighted that such good care is being taken of females in that island.

Cellular Jail.—Next day we visited Cellular Jail with Superintendent of the Cellular Jail and Senior Medical Officer. From 8-30 A.M. till 1-30 P.M. we were in this Jail. Out of this time we spent two hours in the hospital which is exclusively for the political prisoners. We talked nearly to every one of the patients. I found that some of the indoor patients were suffering from the disease with which they had been suffering even in India. The number of the patients was 25. Most of them looked as if they had recovered from their ailments and were kept in the Hospital till the doctor was fully satisfied that they were perfectly cured. These were mostly the people who were admitted in the hospital on account of the influenza which they had contracted on account of exposure after exercise which generally people do in the Andamans after the monsoon. Some of these P. I. prisoners had acute disease which could not be cured in a short time. We spent the rest of the time in talking individually to a large number of political prisoners of all the wards and wanted to know from them if they had any complaints whatsoever against the administration of the jail or of any other nature. We informed them that we would be visiting the jail again on the 15th of October and would ask the authorities to allow the prisoners to talk to us without the presence of any of the officials and that in that interview we would like to meet some of the representatives who could lay before us the grievances of all.

Accordingly on the 15th October, we visited the Jail from 8-30 A.M. to 2 P.M. and we met the representatives of different batches. I was surprised to learn that the political prisoners had great cliques amongst themselves and one party had no confidence in the other parties. We had therefore to meet 3 batches separately and several individuals one by one. The first batch talked to us for about 2 hours and laid stress on repatriation of the political prisoners on the grounds of—

1. Health,
2. Insufficient and bad supply of water,
3. Climate.
4. Food,
5. Distance of India and not proper opportunity for interviews.

1. *Health.*—About health they laid stress on the question of there being 25 patients in the hospitals, 73 being convalescents on the day of our first visit. On this I had a long talk with the Medical Officer and Superintendent of the Jail, who has given us a full and detailed account of the causes which were responsible for so many political prisoners being in the hospital.

2. *Water Supply.*—I learned that water supply was not insufficient, but on certain occasions only through the mistakes of some one or other it was not available during certain hours of the day. The Chief Commissioner and the Senior Medical Officer took action on this. It was also brought to the notice that sometimes the political prisoners wanted a second bath in the evening after the games which was generally responsible for the shortage of water, as each prisoner can be allowed only one bath either in the morning or in the evening.

I think the authorities will look into this matter with diligence in future.

3. *Climate*.—The chief complaint about climate was that the variation was very small, 89° being the highest temperature and 66° being the lowest of the island. Moisture is something like that of Bengal, about half the year round. Calcutta was hotter when we left than Port Blair when we arrived there. Humidity is really very great, and the islands are situated between the two monsoons which give rainy season of about eight months in the year. I do not know why a place like Mount Harriet had not been chosen for the settlement, which has decisively got much better climate on account of its height of 1,200 feet from the sea level. The atmosphere there is not mixed with so many watery vapours as on the lower level.

4. *Food*.—The chief grievance of the political prisoners on this score was that a large variety of vegetables do not grow on the island. Some kinds of vegetables are imported from Calcutta and Rangoon which remain fresh for a few days, after which they have to depend on the local produce.

I went to the market and saw myself seven different kinds of vegetables besides 'Spinach' which were for sale and were of local produce. About fish and mutton they said that they always got fresh supply; but fish supply becomes irregular during the time when the monsoon is at its height. They were satisfied with the rice which they got but complained that wheat-flour was not always fresh. I made an enquiry about this complaint and came to know that the Medical Officer himself examines all flour before it could be given for consumption in jail. Raizada Hansraj went into the kitchens where 'chapatis and dal' were being cooked for 'C' class ordinary prisoners and after tasting 'chapati' and 'dal' he declared that it was much better cooked and prepared than that of the Punjab Jails. This declaration gives credit to the Jail administration of Port Blair. I also learned that the political prisoners are allowed to choose their own menu and they supervise the cooking of their food themselves. 'B' class and 'C' class pool their rations together and eat together which was admitted by this batch.

Uniform classification.—They also put up a demand that classifications of all prisoners should be uniform. I discussed this point with the Chief Commissioner and the Jail Authorities. I was told that it was in the power of the Local Government which has sent them or in the hands of the Magistrates or courts which convicted them and not in the power of the jail authorities. The magistrates who convict give a class after seeing the social and financial status of the prisoners. A difficulty was pointed out that it would be hard on the small number of 'B' class prisoners who enjoy greater facilities to be brought down to 'C' class and at the same time it will be difficult for the Local Governments to go into the question of large number of prisoners who have got 'C' class to be given 'B' class.

It is not for me to express any opinion on this point or to dictate to the Bengal Government but I would venture to say that this question may be considered as a special case when these prisoners are kept outside India and are kept in the jail in the Andaman Islands. Their classification should not be according to the set rules meant for Indian Jails and if possible a new class may be formed for all P. I. prisoners who may be sent there.

Complaints.—They complained that when a person came to interview one of the political prisoners a Policeman was present at the time instead of a Jail official. This is certainly against the Jail rules. I have brought this fact to the notice of the Superintendent of the Cellular Jail; who has promised to see as to why it has ever been done. He has told me that in his great experience of jail administration he never allowed this to be done and will find out the circumstances under which this could have been allowed but will take great care that this never happens in future.

The second complaint was that they did not get any daily newspaper and that their library does not contain sufficient number of books. I learned that—

- (1) Statesman's Weekly Overseas edition,
- (2) Illustrated Times of India Weekly,
- (3) Sanjiwani,
- (4) Bangbashi, and
- (5) Chief Commissioner's bulletin,

are supplied as newspapers, and library contains a lot of books purchased by the prisoners themselves at their own cost besides the books purchased out of Rs. 200 sanctioned by the Government for this purpose.

The grievances and demands of the second batch were practically the same as that of the first batch. The third batch was well disciplined, good-looking, well-groomed, dignified and reserved. I was very much impressed by the intelligence of this group. We were told that as far as jail discipline was concerned this was the best behaved batch who always acted according to the jail rules and kept great discipline amongst their friends. I put the following question to this batch the reply of which is very interesting :

Q. Which of the following two conditions would you prefer—

- (1) Kept in the Andamans together, or
- (2) Repatriated to India and kept in separate jails ?

A. We have nothing to choose between the two. Each is equally bad. We want to be repatriated immediately and kept together.

I asked if I should add to their reply " We will not be happy if we are kept in separate jails in India ". They said that it may be an inference but was not their reply.

Pending repatriation they wanted—

- (1) to play outside the jails walls preferably on the Gymkhana Grounds ;
- (2) Sea-bathing ;
- (3) Some sort of entertainments like cinema or any other show to break monotony ;
- (4) Cells to remain unlocked during nights and only the doors of the verandahs kept locked in order to allow one prisoner to visit the other at night.

I discussed all these points with the jails authorities and the Chief Commissioner. Lala Hansraj and myself both have agreed that demands Nos. 1, 2 and 4 were not practicable propositions. The first demand is very difficult to carry out in practice because the jail authorities cannot manage to carry 316 prisoners outside the jail to a distance of about a mile and bring them back again everyday.

The second demand was not practicable because there is no sandy shore near the hill where the jail is situated and sea bathing on the rocky ground is very dangerous.

The fourth demand was not considered feasible as it may lead to something which may not be desirable. The cells are locked at 9 o'clock but before all the cells are locked it becomes nearly 10 o'clock at night. The warders, who sleep in the verandah and are always ready to reach any of the prisoners if required, are themselves P. I. prisoners. I enquired if the cells contained at night basins for the purpose of their natural requirements and found that each cell contained such articles. The Superintendent of Jail thought it feasible to consider my suggestion that greater facility should be provided if any of the prisoners happens to be taken ill during night time in order to remove him to the hospital. As all the cells open into a common verandah of the ward which has got a door of iron bars, each prisoner could easily call the warder, should any necessity arise, who are recruited from themselves, for assistance if that may be required between the hours of 9 P.M. and early hours of the morning. During the day all prisoners mix freely between themselves. The cells are of the size which ordinarily a middle class man or a clerk at Simla or in Calcutta does not have for his bed-room. The iron bar doors of the cells open into the verandah. On the opposite wall there is a big window for ventilation near the ceiling. Each cell has got a cot with a blanket, a bed sheet, one pillow and a sheet to cover. Some of the prisoners have got their own private small articles for their requirements. Each prisoner is allowed to purchase articles which are sanctioned by the jail authorities, as each B class can get Rs. 20 a month and C class prisoner Rs. 10 a month from their relations or friends.

The third demand about entertainments like cinemas was also discussed with the jail authorities. They think that it might be considered provided some charitably inclined persons or institutions supply the money for it.

We had talks with individuals also. One thing which I found common was that everyone of them laid great stress on repatriation. In spite of the fact that they enjoy greater facilities in the Cellular Jail than they could ever be allowed in any Indian Jail, they all wanted repatriation. I think this desire was chiefly on account of their not meeting outside people so often as in India. All of them desired to see their friends and relations which they could have done in India and by different

interviews would have kept themselves in constant touch with outside world but are prevented by remaining in the Andamans. They seemed to be fed up by seeing same thing and meeting same people throughout the year. A little break in the monotony might be beneficial.

I may be allowed to point out here that a complaint was made to me by some of these P. I. prisoners that they are allowed to play foot-ball yet they have to purchase the balls with their own private funds. They spend about Rs. 100 a year on this. If the Government sanctioned Rs. 100 a year to them the cost would be about As. 5 per head per annum. I think the Government should take this into consideration and should be generous in supplying balls to these people who cannot enjoy the other facilities provided for the ordinary prisoners. Another thing which was pointed out to me was that Bengal Government has sanctioned Rs. 100 for the purchase of Volley-balls but made it a condition precedent that all the prisoners did their allotted work. This condition seems to work very hard in practice. If a few of the political prisoners do not do their work then the rest also suffer on account of them. This is a genuine grievance of those prisoners who were regularly doing their allotted work and were observing the jail discipline, to be deprived of the benefits on account of the conduct of those with whom they did not agree. The Superintendent of Jail on this question told me that it will not be possible for him to shut out from play those who did not do the allotted work and allow only those to play who had done their daily work as it might lead to friction and greater difficulty in the management. I realised this difficulty but it can easily be overcome if the Bengal Government instead of imposing a condition precedent of a general nature gives full discretion to the Superintendent of the Jail or the Senior Medical Officer in this respect.

A swimming bath within the jail precincts may also be considered.

As far as I could gather from general observation I think some of the political prisoners ought not to have been sent at all to the Andamans. In this category I will take :—

1. Those whose health was not good enough at the time that they were sent to the Andamans, and
2. Those who are very young and are sentenced to short terms of imprisonment.

It is for the Government and not for me to see the desirability of keeping young boys who were mere dupes and are sentenced to short terms of imprisonment to be along with those who were the leaders and of developed and mature minds and are convicted for long terms of imprisonment. The every-day society and the environment cannot in my opinion exert healthy influence on these dupes to leave their terroristic ideas. As they are to come out of the jail within shorter period it is for the Government to judge whether they should come to the open life direct from association with all those who were convicted for long terms and for whom there was nothing to modify their previous ideas. I should think that it would have been better if some sort of policy had been adopted which would bring a change in the ideas of these young boys who were led to terrorism on account of the society in which they happened to be temporarily placed. If some influence works for two or three years on their impressionable minds that terrorism is not the solution for the progress of India but rather retards it, they might be different people when they come out of the jail than they would be if they come out after serving their sentences under the present circumstances. I have dealt at length on the question of political prisoners as obviously Political India is chiefly concerned with them and do not bother so much about the fate of the other prisoners.

ORDINARY PRISONERS.

Port Blair is really a paradise for the ordinary prisoners. The whole Settlement looks like a beautiful park with extensive paddy-fields and coconut plantations. All the hills are covered with beautiful lawns. There is no dust in that country like what we see in India. The whole Settlement consists of two small islands and a portion of a big island. Aberdeen Town, Cellular Jail, the market, and cultivators' plantation, all are situated on the portion of the big island called the South Andaman. It has got a very nice harbour called Haddo Harbour. Round about this harbour runs a beautiful metalled road of about twenty-five miles in length, with certain branches shooting off to different villages and colonies. It runs from Aberdeen Town in the

South to Mount Harriet in the North making a round of the whole of Haddo harbour. The depth of the settlement is about 2½ miles. This Settlement has been made by cutting the forests and bringing the land under cultivation. The extreme colony is that of the Bhantus and of the Burmans. The newly built village called Aswynne for the Burmans is a very neat and beautiful village and is situated on the border beyond which are the high and dense jungles in which the wild aborigines called the 'Jarawas' live. The name Aswynne is given after Messrs. Asquith and Wynne, the two popular officers, and the word in Burmese language means "Paradise". Inside Haddo Harbour, a small island called 'Chatham' has been connected by a causeway with the main island. On this island is situated the Wood-Factory with saw mills. In the main island near the causeway is situated a Swedish Match-Factory, and above on the hills is a big hospital called Haddo Hospital which is one of the most up-to-date hospitals in India and has got plenty of accommodation for indoor patients.

The other island which is outside the Harbour at a distance of about half a mile from the main Island is called Ross Island.

On this small island are built the houses of the Chief Commissioner, the Chief Medical Officer and a few other officials. One company of a British regiment also lives on this island. The Post Office, the Club, and a Hospital which is also one of the most up-to-date hospitals, beautifully built and possessing all the requirements of a hospital, are also situated on this island.

The Deputy Commissioner, the Revenue Officer, the Superintendent of Police, the Assistant Superintendent of Police and all other officials live on the Main Island near about the Aberdeen Town. The ordinary prisoner after going from India lives for three months in the Cellular Jail and then he is brought outside. The Government gives him from Rs. 10 to Rs. 36 a month according to his qualifications. The man who starts at Rs. 10 a month gets increment and can make his way up. He is allowed to get his family from India. The Government pay him the travelling expenses of his wife, children and a person accompanying them from home to Port Blair. The wife of the convict gets Rs. 5 a month and each child whether imported from India or born in Port Blair gets Rs. 2 per month. The people who are in receipt of salary from the Government are called 'Talabdars'. These 'Talabdars' live with their families in comfortable houses in the colonies built for them. We visited a large number of houses in different villages and colonies. The houses built for them are far better than they could ever get in India. In the villages the houses are built on either side of a very wide road, and on the back of the house each person is allowed a big compound for the purposes of keeping a garden. These prisoners are allowed to keep buffaloes and cows if they choose to do so and some of them make about Rs. 20 a month extra income by selling milk. There is a cinema to which convicts of not only the colonies near about Aberdeen Town go but it is visited on Sundays by the convicts who come from villages, and for this purpose there are generally three shows on Sundays. The convicts are earning their living besides Government service as motor drivers, khidmatgars, cooks, waiters, chowkidars, etc. Outside the houses of each Talabdar we found generally two deck-chairs on which they lounged and smoked in the afternoon. These houses contained Niwar beds and steel-trunks, copper and aluminium vessels, china plates and tea sets.

Self-Supporters.—The other class besides the 'Talabdars' is the self-supporters. The self-supporters are those who do not desire to be bound by any restrictions whatsoever and choose a profession without getting any salary from the Government. In this category are the cultivators who have been granted large tracts of land for cultivation purposes and are given Taqavi loan by the Government and artisans like goldsmiths, blacksmiths, carpenters, mechanics and merchants. Many big shops of general merchandise are kept by these convicts in the villages and in the Aberdeen Town itself. Some of them have taken lands for plantation and have got coconut orchards or have planted bananas, pine-apples, etc. The Bush-Police which go about with loaded guns and keep a watch on the border of the jungle to save different colonies of the settlement from the raid of the jungly-people (Jarawas), are also recruited from amongst the prisoners.

Considering all these facilities granted to the convicts who are living in those beautiful islands being entrusted even to the extent of carrying loaded guns, Port Blair Settlement is certainly a paradise for the prisoners.

Local Borns.—These prisoners live side by side with a big population of the local born who are the descendants of the convicts who settled down in Port Blair. Some of these local borns have been living for the last three generations. Hindu local born

population has got practically no caste system as they are the issue of mixed marriages and have got more cosmopolitan views than one finds in India. It will be a pity to disturb the peace and tranquillity and orderliness that prevails in the Andamans by the introduction of political agitation. You cannot distinguish a convict from free man in the Port Blair as all convicts are allowed to wear their own clothes and eat as they like. The local born population are engaged in different professions, but their problem is really a serious problem which the Government ought to consider. They must get fuller opportunities to improve and progress than what they have got in the limited circle of the Port Blair Settlement. With the increase of the population better facilities for employment must be found. I am glad to bring to the notice of the Government that the present Chief Commissioner, had got great sympathy for this indigenous population. He has taken certain steps which have opened some field for employment of these people. The Match Factory, the Harbour Dockyard, and the Forest have employed some of these people. Their children are being educated in the public schools and would naturally demand employment after finishing their studies. The Government must be ready to tackle this problem when the time comes. The local-born population presented us an address. In that address they have pointed out what their requirements are at present. This population is thoroughly loyal to the Government as was made clear by the Vice-President, K. S. Nawab Ali, when he proposed a vote of thanks to us after our replies to their address. He pointed out that the local-born population is thoroughly loyal to the Government and entirely depends on the good-will and that the local-born population does not desire to bring any politics within the Settlement as that might lead to something which may not be good for their progress. This population has got a very good club with a nice big hall and extensive grounds. They play on the Gymkhana ground. They have got a hockey team which distinguish itself not only in Port Blair but even in Calcutta. They have got Boy Scouts and a band of their own.

Play Grounds.—In the Aberdeen Town there is an extensive play ground called the Gymkhana Ground and a very nice pavilion. On these grounds play the Police, the Military, the local born and some of the convicts. We witnessed the sports for 2 days with the Chief Commissioner. The final hockey match between the club of the local borns and the rest of the settlement was very interesting and showed the progress which this population has made there.

Schools.—There is a good High School in which there were 439 students out of which 39 are girls. The convicts' children were 79; two girls and 77 boys on the date of our visit. The boys and girls read together and the teaching staff consist of men and one European lady. The curriculum showed that their standard is not inferior in any respect to that of any University in India. One girl has gone up to the 6th standard and I think she should be encouraged with scholarship so that she may pass the High School Examination of tenth class which may act as encouragement to others. The school requires the services of at least one more teacher which the Government should provide.

Hospitals.—I have already mentioned above that there is a female hospital in Aberdeen Town and a big hospital for general population at Haddo Harbour and one at Ross Island. There is a fourth one which is called Bamboo Flat Hospital.

There are small hospitals located in all the main villages where an assistant looks after the patients whose illness can be cured in one or two days. If the patient has got a disease which requires medical attendance, then this patient is sent by lorry, which visits every village every morning, to the Haddo Hospital.

All these hospitals are working very efficiently under the able guidance of the Senior Medical Officer of Port Blair Settlement. I found him to be very popular with all people in that settlement.

Salvation Army.—The Salvation Army is doing splendid work under Major and Mrs. Francis. They take a lot of pains in that locality where they find no other society for themselves except that of the habitual criminals that have been entrusted to their care. They have reformed the Bantus (a criminal tribe which lived in Bareilly and in other parts of Rohilkhand Division) in a splendid and remarkable manner.

This tribe which lived a semi-nomadic life in India are now living in the Andamans a settled life and have taken agriculture and cattle breeding as their profession. Their women do the sewing work under the guidance of Mrs. Francis and

earn between As. 8 to As. 12 a day. Each woman can sew six pairs of knickers and shirts a day. They generally sew the clothes for ordinary prisoners that are kept in the Cellular Jail.

Their extra population of men and women do the cloth making work and some of them can weave very nice carpets which can be sold for good prices.

Major and Mrs. Francis are to be congratulated for their great devotion towards humanitarian work which they have been doing for a long time in the Andaman Islands.

Dock Yards.—At present the Government spends about Rs. 27,000 annually, which are given to Irrawaddy Flotilla Company for making the necessary repairs to the boats. This sum can easily be saved with a greater advantage to the local born population if dock-yards are built in such a manner as to make all necessary repairs themselves. This will not only help the local born by providing for them employment but will bring a good return and make the dock-yards self-supporting and independent of any company in Rangoon.

Another Boat.—S. S. the "Maharaja" is a good boat but is insufficient to cope with the requirements of the Settlement which makes trips to Calcutta, Rangoon and Madras alternatively and each time has to stay a week in these ports and a week in Port Blair for the purpose of loading and unloading the goods which she carries about.

The trade of the Andamans can never increase under these conditions. There ought to be another boat of smaller size either owned or chartered by Government which can make frequent trips to Rangoon and to Nicobar Islands also. Prosperity and development of the Andaman Islands entirely depends on how its trade and industry is developed. I would recommend another boat not of the size of 'the Maharaja' but smaller one to be purchased or chartered by the Government.

Forests.—At present the forests are worked under stereotyped policy of Forest Department, which works on the basis of conservating different wood in the Andamans. This policy may have been advisable in a market like India where jungles are preserved for the purpose of supplying fuel and building timber for a big country, and the Government is bound to see to the future rather than the present requirements only. But the same policy is carried on in the Andamans which has not got a big population and nearly 200 miles area of the Islands is covered with jungles with a small population. This policy is not desirable and the forest should be cut in larger quantity in order to bring more revenue which is at present the main source.

I was surprised to see that Andaman-timber is not finding an easy market in Calcutta and other places in India but larger orders for padauk have been placed by American and London firms. This must have been due either to want of advertisement or prohibitive prices of the Andaman-timber. Andaman-timber comes all the way from the South Island to Calcutta and is then sent to England or America. The chief woods which can be used for high class furniture are padauk, koko, silver-grey, chuglam, chui and marble wood. Garjan is also a good wood which can be used for that kind of material which is meant for long life like ship building, fittings on the exposed area of the ships, and so on. This is a very durable wood and gives a good colour though it does not polish well. Satin wood is a beautiful wood which has got a soft appearance and nice grain giving a fine appearance of satin. Very fine sticks are made of this wood and this can be used for making dainty looking things for drawing room or office table purposes. Papita and Lumbapati are used for making match sticks.

I saw in some places the upper part of a dining-table meant for 12 people made of a single wood which was obtained from the buttress of padauk tree. If these things are allowed to be obtained in larger number they can fetch good prices in European or American markets. In my opinion the forests in the Andamans should be worked by the Home Department through the Chief Commissioner and not by the Department of Education, Health and Lands.

Produce.—In the Andamans you find large number of coconut plantations several of which are owned by European firms the proprietors of which have settled down there. Coconut industry is a great source of income to the Settlement for the upkeep of the local born population. Unfortunately the prices of coconut are going down in the world market and therefore coconut plantation is not so profitable as it used to be.

Paddy grows in large quantity and everywhere you find nice green paddy fields in the Settlement. Andaman-rice in some parts is equal in quality to that which grows in Bengal.

The limited area of the Settlement is insufficient for the growing population and more paddy fields are required to meet the demand for local consumption. This can only be acquired by cutting more forest just on the border of the settlement. Coffee and tea industry of the island is not paying and therefore the tea factory has been deserted. Sugar-cane of the quality of 'Ponda' can grow very well in the Settlement. I saw some nice crops of this kind of sugar-cane there.

Banana, Papaya and Pine-apples are supposed to be far better on that island than they can be grown anywhere in India.

Lemon and oranges are of fine quality. This is a pity that these articles cannot find ready market in Indian ports or in Rangoon on account of insufficient transportation. If the Government provides another small boat which can make frequent trips to the different ports, the Andaman population will be able to sell their produce with greater advantage.

Mango and guava trees are found as natural growth without being planted. Andaman mango is of big size but not of a good quality. If grafts of mangoes and guavas are taken from India, they will help the population a great deal. I suggest mango grafts to be taken from Durbangha and guava grafts from Allahabad.

Industry.—There is a Swedish Match Factory only which employs about 100 local born people; but for the increasing population other industries also should be encouraged in order to provide employment for the local borns. This Swedish factory is doing very well and is using local wood for making match sticks which are sent to Calcutta for finishing them into matches.

The other industries in which the local born population can be employed is cane work which is at present being done only by people in the jail. Very fine articles of cane are made in the Jail and it is a pity that the people outside the jail do not do this work.

Tortoise-shell work and mother-of-pearl work are dying out in the Andamans. Wood work is receiving no encouragement from the Government. I should suggest that the licenses granted to the Japanese for taking out shells in the Nicobars should be stopped and given to the local born population of the Andamans who should be encouraged into making the articles of mother-of-pearl which can easily find market in the world. The Japanese are making Rs. 200 for every rupee by turning shells into buttons. If the local born is trained into making buttons, pen handles, handles of knives and forks, jewellery boxes and other articles of mother-of-pearl, they will receive into their islands what is at present going to Japan. There used to be some people who used to make cigarette cases and other small articles of tortoise shell but as this industry is receiving no encouragement from the Government it is likely to die unless the Government trains people for this purpose.

The Government ought to encourage the local born population to make furniture of the beautiful woods that are produced in the Andamans and should supply them seasoned wood on concession rates. They should also charge very little rates for the finished articles in the shape of furniture if they are sent on the boat from Andamans to either Calcutta or Rangoon. If this is done the local born population will easily teach some young men carpentry work and they will be able to supply high class furniture to Calcutta which will compete with teak or mahogany wood furniture.

Health and Malaria.—Andamans are not certainly a health-resort for those who are accustomed to live in cold and dry climate. Undoubtedly there used to be a lot of malaria in the Port Blair Settlement up to 1926. That portion of swamps which used to breed mosquitoes on account of the shallow water which used to collect there has been reclaimed and has improved the Settlement a great deal. This place instead of breeding mosquitoes is now brought under cultivation and is also used for the purpose of grass farming. When we visited this place now called Craikabad after Sir Henry Craik. I found some portion covered with good quality of grass planted there. This improvement has cost the Government a lot of money but has stopped mosquito breeding to a great extent. I did not see mosquitoes in the Andaman Islands even 5 per cent. of what I found in Calcutta. This shows that an improvement has been made in this direction within the last few years. The old reports on this subject are now the history of the Andamans but not the present day condition.

There is a place where the stream water falls into the sea and when the tide is running in the whole water becomes brackish which breeds mosquitoes. This place is situated at a long distance from Aberdeen but I believe that the Chief Commissioner, the Senior Medical Officer and the Deputy Commissioner, are considering this question in order to effect some improvement in this locality also.

Administration.—In my opinion for the purpose of administration all departments in the Andamans should be placed under the Home Department, the Forest and Education should also be transferred to them. This will help to develop the Settlement by working under one policy rather than be dictated by different departments who have got their own set rules.

Information promised in reply to parts (b) and (c) of starred question No. 222 asked by Mr. Mohan Lal Saksena on the 31st August, 1937.

GRANT OF HOUSE RENT ALLOWANCE TO THE FITTER *Khalasis* OF THE EASTERN BENGAL RAILWAY AT CHITPORE.

(b) Yes, for as long as they were not provided with Railway quarters.

(c) Yes, in some cases, because Railway quarters are not available. The latter part of this question does not arise, since the men have been given Railway quarters.

Information promised in reply to unstarred question No. 37 asked by Mr. Badri Dutt Pande on the 31st August, 1937.

ELECTORAL ROLLS FOR THE ROHILKUND AND KUMAON DIVISIONS NON-MUHAMMADAN RURAL CONSTITUENCY.

The Returning Officer has reported that electoral rolls for all the nine districts comprising the constituency were in his office at the time of the bye-election in question, but were not immediately traceable when certain candidates desired to inspect them.

Information promised in reply to part (e) of unstarred question No. 39 asked by Mr. Abdul Qaiyum on the 31st August, 1937.

ISSUE OF RETURN CONCESSION TICKETS FOR THE *Urs* AT AJMER.

In connection with the recent *urs* celebrations at Ajmer, return tickets to Ajmer were issued by the North Western and Bombay, Baroda and Central India Railways from the 1st to 12th September, 1937, available for completion of the return journey up to the midnight of 19th September, 1937, the details of which are given below :

North Western Railway.

(i) *3rd class.*

From stations distant 401 miles and over from Delhi (any route). To *via* Delhi At 1½ fares.

From stations under 401 miles Do. At two single fares except where 1½ fares for 401 miles (the minimum distance to which the concession applied) is lower than two single fares for lesser distances.

NOTE.—From stations distant 290 to 400 miles from Delhi the concession fares calculated on a minimum of 401 miles are cheaper than two single fares on the actual distance.

(ii) *1st and 2nd class.*

From any station on the North Western Railway to *via* Delhi. } .. At 1½ fares.

Bombay, Baroda and Central India Railway—1st, 2nd and 3rd Class.

| From | To |
|---|----------------------------|
| Agra Fort and <i>via</i> | } Ajmer .. } At 1½ fares . |
| Idgah (Agra) and <i>via</i> | |
| Delhi and <i>via</i> | |
| Cawnpore (Central) and <i>via</i> | |
| Cawnpore (Anwarganj) and <i>via</i> | |
| Muttra Cantonment | |
| Hathras City | |
| Mendu | |
| Hathras Road | |
| Rati-Ka Nagla | |
| Skandra Rao | |
| Agsauli | |
| Marehra | |
| Kasganj | |
| Badheri Kalan | |
| Sahwar Town | |
| Ganj Dundwara | |
| Patiali-on-Ganges | |
| Darioganj | |
| Rudain | |
| Kaimganj | |
| Shamsabad | |
| Farrukhabad | |
| Fatehgarh | |
| Kamalganj | |
| Gursahaiganj | |
| Khudaganj | |
| Khudapur | |
| Jasoda | |
| Kanauj | |

Information promised in reply to starred question No. 298 asked by Mr. K. Santhanam on the 3rd September, 1937.

INVESTIGATION OF THE AFFAIRS OF THE PUBLICITY DEPARTMENT, GREAT INDIAN PENINSULA RAILWAY.

Mr. F. J. Collins, a specialist in advertising, was employed by the Great Indian Peninsula Railway at a fee of Rs. 1,500 to advise on the best means of increasing that Railway's revenue from the display of trade advertisements on Railway premises. It is not a fact that Mr. Collins was paid Rs. 15,000 for his investigation. Government consider that, for obvious reasons, it would not be in the public interest to lay a copy of Mr. Collin's report on the table.

Information promised in reply to starred questions Nos. 344 and 347 asked by Mr. Amarendra Nath Chattopadhyaya on the 7th September, 1937.

MINING AND GEOLOGICAL INSTITUTE OF INDIA.

Question No. 344.—(e) The amount of subscription paid to the Institute for inserting advertisements in its *Transactions* is approximately Rs. 45 per year.

| | Rs. |
|-----------------------------------|-------|
| (f) Geological Survey of India .. | 1,500 |
| Indian Mines Department .. | 277 |
| Indian School of Mines | 342 |

(h) Yes. Only one officer, who is the Joint Honorary Secretary of the Mining and Geological Institute of India, spent about ten seasons of field work with the Bihar and Orissa party.

ALLOWANCES GIVEN TO CERTAIN PERSONS IN THE GEOLOGICAL SURVEY OF INDIA

Question No. 347.—(b) Yes.

(c) Rs. 5,334.

(e) Fifty specimens have been sent to foreign countries for assaying and testing, mostly during the years 1932—37 when the Department did not have its own Chemist.

(f) Rs. 1,962.

Information promised in reply to starred questions Nos. 442 and 444 asked by Seth Haji Sir Abdoola Haroon on the 10th September, 1937.

APPRAISERS AND EXAMINERS IN THE CUSTOMS HOUSE, KARACHI.

Question No. 442.—(i) There are 23 appraisers in all distributed as under :

| | |
|-------------------------|----|
| (1) Hindus | 11 |
| (2) Parsis | 3 |
| (3) Christians | 6 |
| and (4) Muslims | 3 |

(ii) There are 16 examiners in all and belong to the various communities as under :

| | |
|-------------------------|---|
| (1) Hindus | 6 |
| (2) Parsis | 1 |
| (3) Christians | 4 |
| and (4) Muslims | 5 |

(iii) Appraisers 13%
 Examiners 31.25%

| Community. | Number. | Qualifications. |
|--------------------------------|---------|---|
| <i>Recruited from outside.</i> | | |
| Christians | 2 | 1 B.Sc., LL.B., 1 Nil. |
| Parsis | 1 | Nil. |
| Hindus | 1 | B.Sc., LL.B. |
| Muslims | 4 | 1 B.Sc., and B.Ag. 1 Intermediate Science, 1 F.A. 1 B.A. |

Taken from the Office.

| | |
|--------------------|------------------------|
| Christians | Nil. |
| Parsis | Nil. |
| Hindus | 2 1 B.A. 1 M.Sc. |
| Muslims | 1 Nil. |

(c) The posts were not advertised.

(d) Does not arise.

(e) Yes. Please see (b) above.

(f) Ten.

(g) No useful purpose will be served by obtaining the information. The Collector has full instructions as to the principles that should govern recruitment to these services. Annual returns regarding the proportion of various communities in direct recruitment to various services are submitted by the Collector which are scrutinised to see that these instructions are not overlooked.

CLERKS IN THE CUSTOMS HOUSE, KARACHI.

Question No. 444.—125 (excluding Superintendents, Deputy Superintendents, Stenographers and typists) :

| | |
|------------------------|-----|
| (1) Hindus | 16 |
| (2) Parsis | Nil |
| (3) Christians | 2 |
| (4) Muslims | 1 |
| (1) Hindus | 70 |
| (2) Parsis | 2 |
| (3) Christians | 11 |
| (4) Muslims | 19 |

Information promised in reply to starred question No. 504 asked by Mr. Sham Lal on the 14th September, 1937.

GRANT OF A PIECE OF LAND TO A PRIVATE GENTLEMAN OR FIRM IN THE AMBALA CANTONMENT.

(a) Yes.

(b) A lease by private treaty was applied by an individual but the application was subsequently withdrawn.

(c) It depends on the merits of the case.

(d) The policy of Government is that land in Cantonments should be utilised to the best interests of the State and we have no grounds for assuming that any Cantonment Authority acts contrary to that policy or disposes of land other than under the authority of the Cantonment Land Administration Rules.

Information promised in reply to starred question No. 564 asked by Sardar Sant Singh on the 16th September, 1937.

ENQUIRY INTO THE SALE OF SCRAP IRON ON THE NORTH WESTERN RAILWAY

(a) The answer to the first part is in the affirmative. Regarding the second part the attention of the Honourable Member is invited to the information laid on the table of the House on the 23rd August, 1937, in answer to questions No. 1281 asked by Pandit Govind Ballabh Pant and Nos. 1286 and 1287 asked by Mr. Mohan Lal Saksena in the Legislative Assembly on the 15th October, 1936. The report referred to by the Honourable Member is a confidential document and Government are not prepared to lay it upon the table of the House.

(b) The Committee commenced its enquiry at Lahore on March 30th, 1937, and submitted its report on April 7th, 1937. The Committee examined fourteen witnesses, eleven of whom were Railway employees and three were non-officials.

(c) No. I may, however, add for the Honourable Member's information that the letter referred to in the first part of the question was received by the Committee on Monday, the 5th April, 1937.

(d) No. On April 3rd, representatives of three firms dealing in scrap were asked to appear before the Committee on Monday, April 5th. Two of the three firms were signatories of the letter referred to by the Honourable Member. All three representatives after agreeing to appear before the Committee failed to do so and after telephonic enquiries from these and other firms, who had signed the letter concerned, it became abundantly clear to the Committee that if any of the merchants were to be interviewed a visit by the Committee to Badami Bagh was essential. This course was followed and interviews with representatives of two firms who signed the letter resulted.

(e) No. On May 3rd, 1937, 6,186 tons of C. I. scrap were sold by public auction. The auction was widely advertised and the lot knocked down to the highest offer of Rs. 70-14-0 per ton. No question of loss to the railway or preferential treatment to any particular merchant, therefore, arose from the sale.

(f) Two letters, dated April 20th and 21st, were received by the Railway Board.

(g) The attention of the Honourable Member is invited to the answer given to the second part of part (a).

Information promised in reply to unstarred question No. 109 asked by Mr. Badri Dutt Pandey on the 17th September, 1937.

PAYMENTS FOR CUTTING OF TREES IN THE ALMORA CANTONMENT.

(a) Rs. 7 on account of two demands only,—Rs. 5 in respect of one and Rs. 2 on account of the other.

(b) Yes.

(c) A nominal charge was made in order to maintain the Government proprietary rights to trees growing on a site unless the original grant contains a specific condition to the contrary.

(d) No.

(e) No. Of the two payments mentioned in part (a), a protest only was made against the charge of Rs. 2.

(f) Bungalow-owners are not being harassed. In actual fact, the relation between them and the Cantonment Authority has always been most cordial.

ELECTION OF A MEMBER TO THE CENTRAL ADVISORY BOARD OF HEALTH.

Mr. President (The Honourable Sir Abdur Rahim) : I have to inform the Assembly that upto 12 noon on Tuesday, the 21st September, 1937, the time fixed for receiving nominations for the Central Advisory Board of Health, three nominations were received out of which two candidates have since withdrawn their candidature. As there is only one vacancy I declare the remaining candidate Mr. C. W. A. Gidney to be duly elected.

THE INSURANCE BILL.

Mr. President (The Honourable Sir Abdur Rahim) : The House will now resume consideration of the Insurance Bill.

The question is :

“ That clause 35, as amended, stand part of the Bill.”

Mr. N. V. Gadgil (Bombay Central Division : Non-Muhammadan Rural) : Sir, I beg to move :

“ That in clause 35 of the Bill, as amended, after sub-clause (2), the following sub-clause be inserted :

‘ (3) Nothing in this section shall prevent payment of gratuities or renewal commissions to agents where insurance had been effected before the 26th day of January, 1937, or to the representatives of the deceased agents.’

Sir, the object of this amendment is to secure remuneration such as gratuities and renewal commissions for the agents who are entitled to it on the business effected before the 26th January, 1937. No further remarks are necessary.

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

“ That in clause 35 of the Bill, as amended, after sub-clause (2), the following sub-clause be inserted :

‘ (3) Nothing in this section shall prevent payment of gratuities or renewal commissions to agents where insurance had been effected before the 26th day of January, 1937, or to the representatives of the deceased agents.’

The Honourable Sir Nripendra Sircar (Law Member) : Sir, I have no objection to this amendment on principle, but the drafting is rather inaccurate. I believe what my Honourable friend means is that these payments are in respect of insurance effected before this particular date and in pursuance of contracts existing. If something like that is added to make it clear, I will have no objection. I do not want voluntary payments to be made which are not covered by contracts. I do not think my Honourable friend wants it either. But I am drawing your attention to it.

Mr. Bhulabhai J. Desai (Bombay Northern Division : Non-Muhammadan Rural) : May I suggest that after the word “ agents ” in the second line the words “ under the then existing contracts ” may be added. That would cover the whole point. Also, for the word “ the ” before the word “ deceased ” we may have the word “ such ”.

Mr. President (The Honourable Sir Abdur Rahim) : It is now proposed that the amendment should run like this :

“ That in clause 35 of the Bill, as amended, after sub-clause (2), the following sub-clause be inserted :

“(3) Nothing in this section shall prevent payment of gratuities or renewal commissions to agents under the then existing contracts where the insurance had been effected before the 26th day of January, 1937, or to the representatives of such deceased agents.”

Mr. T. Chapman-Mortimer (Bengal : European) : I think the word “ such ” should also be inserted in the second line before the word “ agents ”.

Mr. Bhudhmal J. Desai : By the latter “ such ” all that is meant to convey is that the deceased agents are those persons to whom the remuneration was due under the then existing contracts. Therefore, the word “ such ” is not needed before the word “ agents ” in the second line.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That in clause 35 of the Bill, as amended, after sub-clause (2), the following sub-clause be inserted :

“(3) Nothing in this section shall prevent payment of gratuities or renewal commissions to agents under the then existing contracts where the insurance had been effected before the 26th day of January, 1937, or to the representatives of such deceased agents.”

The motion was adopted.

Sardar Sant Singh (West Punjab : Sikh) : Sir, I beg to move :

“ That after clause 35 of the Bill, the following new clause be inserted :

“ 35A. Notwithstanding any contract to the contrary, the insurer shall be liable to pay all commissions on initial premium and renewals in accordance with the terms of agency on all business procured or premiums collected by such agents whether such agent is or is not in the service of the insurer at the time when such commission or remuneration falls due, and in case of the death of the agent, to his representative in interest.”

Sir, the object of this amendment is clear from the wording thereof. The object of the amendment is that the commissions which have already been earned should be non-forfeitable on any account. My reasons for this are that in the case of commissions that have already been earned, no question of further service arises. It is just like a loan or money that you keep in a bank. After you have left the service of the borrower or the bank, you can call for that money, you can withdraw that money without any reference to your further service with the borrower or with the bank. Here, Sir, the question has been brought to the forefront by the field workers all over the country. Many Honourable Members must have received this memorandum submitted to the Secretary of the Legislative Department, Government of India, by the field workers. The relevant portion is at page 4 of this memorandum. In this the field-workers opine :

“ My Association is strongly of opinion that the commission on renewal premiums on new policies introduced by life agents are their most legitimate dues. Yet the unfortunate fact is that such dues of the field workers are not often forfeited on most frivolous pretexts. This is certainly immoral, if not illegal.”

{Sardar Sant Singh.}

Then, the memorandum goes on to say :

“ It may be mentioned in this connection that field workers of Indian insurance companies in three successive conferences held in Calcutta in 1933, 1934 and 1935 passed similar resolutions urging for non-forfeiture of renewal commissions.”

My submission is, that this demand of the field-workers is quite just. In order to fully appreciate this demand of the field-workers, it will be necessary to refer to some of the terms of the agreements of the insurance companies with these agents. In order to realise the importance and gravity of the situation, it will be necessary to analyse these terms. I have got with me, to illustrate my case, the copies of terms of agencies of two companies—one Indian and another English. I will take up the Indian Company first. Here is a copy of its agreement ; on the first page ordinary terms about commission are entered. These are not material for our discussion. These terms are subject to the conditions printed on its back. In those conditions the last paragraph runs as follows :

“ The company shall have the right to terminate the agency in either of the following events and after such termination,”

these are the important words,

“ no commission or other remuneration or compensation will accrue or become payable to the agent with effect from the date of termination.”

Now, let us see what are the terms of the conditions :

“ If the agent should be or become connected directly or indirectly with any other life insurance company.”

That is to say this condition, translated in ordinary language, would mean that the agent comes under a contract to carry on his connection with the company with whom he began his connection irrespective of his subsequent relations with the management, irrespective of any legitimate grievances he may have against the employer. He can under no circumstances cut off his connection with that company. If he dares do so, he must be prepared to forfeit all his earned commission standing to his credit in the company's books. He cannot join any other company. He cannot take service in another company. The next condition is :

“ If the agent should violate any of the terms or conditions contained in this agency agreement.”

Another condition is :

“ The agent is bound to carry out the company's instructions from time to time.”

These mean that even if the instructions issued by the company curtail and infringe the terms of his agreement of agency, even then, if he does not carry out the instructions, his commissions become forfeitable.

Now, I take up the agreement of the Scottish company. The company is not an ordinary company. This company was incorporated by an Act of Parliament. This is the Standard Life Assurance

Company. I will not read all the terms of the agreement. I am reading only the relevant portion from that contract. After giving the terms, relating to commission, the agreement states :

“ subject of course to the proviso contained in the penultimate paragraph of this letter ”,

then follow certain conditions which are not very important for our purpose. What is there in the penultimate paragraph of this contract of agency ? I would particularly draw the attention of Honourable Members to the phrase “ subject of course ”. What is that ‘ of course ’ proviso :

“ These arrangements are held entirely during the pleasure of the directors and in the event of it being found necessary to dispense with your services through misconduct or neglect of your duties or in the event of your death, resignation, bankruptcy, insolvency or acceptance of any employment by any other company, firm or individual, or through your having executed any deed for the benefit of creditors, all commission or other remuneration would cease which holds good as regards all business which stands on the company’s books of your introduction and under which commission is being paid to you.”

Now, Sir, what is the effect of this penultimate clause ? It means that the agreement of agency is not bilateral but unilateral. All power is vested in one party to the agreement and the other party is entirely at his mercy. The agent may have worked most diligently, honestly, loyally, for his employer, yet, on any disagreement with the insurer or any servant of the insurer the agent may find himself in the soup and this penultimate clause may be brought into operation against him. Thus the agent may suddenly be confronted with the loss of all which he earned probably during the ten or even fifteen years of loyal service to the company. The arrangement is thus entirely at the pleasure of the directors. We can understand the imposition of such harsh clause of forfeiture if the company dispenses with his services on account of his misconduct, on account of fraud or misappropriation or breach of trust on the part of the employee. But one fails to understand why the commission outstanding against the company in favour of the commission agent for work done during the life time of such agent should become forfeitable on his death. According to these terms all outstanding become forfeitable even if he dies, as if death was under his control. This is absurd. Let me now quote the other contingency, namely, the resignation. In case the agent resigns, the directors can forfeit all that he has earned before resigning. Thus liberty to resign his employment is penalised. Then comes bankruptcy. The unfortunate man may lose in some other business and some other transaction unconnected with his service of agency and he may be adjudged a bankrupt, instead of paying what is due to the bankrupt to his creditors, the employer has the option to forfeit the same. The bankrupt is legally bound to show his assets in the schedule of assets, what amounts are lying with his employer on his account, he may show that, yet according to this agreement those assets become irrecoverable from the company. The particular phrase in this agreement to which I would draw the attention of the House is the last one. It says :

“ All commissions or other remunerations would cease which holds good as regards all business which stands on the company’s books of your introduction and under which commission is being paid to you.”

[Sardar Sant Singh.]

Thus, I have tried to show that there can be no more unconscionable contract than is embodied in this agreement. And I may submit that most of the contracts which these agents have entered into with most of the companies are just like what I have read out. These are merely illustrative cases placed before the House in order to emphasise my point as to how unconscionable the bargains are. I will once more quote, if I may, from the representation made by the all-India Insurance Field Workers' Association in order to emphasise my point wherein they say :

“ The main problem which has always faced us is that like the slaves in ancient times we have to tie ourselves for our lives to some one or other insurer with whom our lot is cast and the relation is considered to be as sacred and inviolable as if a Bishop had performed a ceremony over it. The condition of the slaves was better in that they were not conscious of their captivity.”

Further they say :

“ If by ill-luck or mischance an agent incurs the displeasure of the chief agent or officer in charge, the officer by a stroke of his pen can end the career of the young man and put a stop not only to his hopes but also to his supply of bread.”

Sir, in view of the hard conditions prevailing in this business, is it not upto us to do something to relieve their just grievances when we are busy enacting a most important piece of legislation? The writer of that letter, the Secretary of that Association, is perfectly right when he compares the lot of the agents with those of the slaves. The institution of slavery has been abolished, yet if we begin to argue in favour of slavery much can be said for the institution. What difference does it make if I, instead of employing a servant on monthly wages, should go to a poor man and ask his boy or grown-up son to be sold to me, in return for a lump sum? Why is objection taken in that case when there is nothing wrong in it? But this employment is termed slavery and serfdom and it has been rightly abolished throughout the world. The British people took the greatest exception to the institution of slavery. I cannot understand why the new form of slavery and serfdom should be tolerated in the business of insurance. I have seen cases where agents have given lakhs of rupees worth of business to an insurer, and yet when the insurer found that it was hard for him to pay according to the agreement entered into by the agent with the company, when he found that the renewal commissions of an agent have mounted up considerably, he tried to hit on some pretext to throw such agent overboard. In one case, of similar hardship, an agent was compelled to obtain the opinion of a very learned lawyer as to his rights under the contract of agency with the company and was told that law gave him no protection. He was entirely at the mercy of the directors. So he had to make representations to the directors of the company. He approached the policy-holders whom he had introduced to the company and they were good enough to make strong representations on his behalf saying that this was a very hard case and the directors were not doing justice to the man who had loyally served them for 15 years and had given them business of over 1 crore and 30 lakhs. All these representations had no effect. The reason was quite obvious. Because his emoluments had mounted up very high, the directors found some pretext or other to turn him out of service and the poor man was stranded. This institution of slavery has been tightened in another legal form and that

is that all the foreign insurers have entered into a ring or combination, and in that combination if one man resigns or is turned out by one company, it approaches all other members of the combination barring his employment with any of them and thus the whole of the career of their victim is spoiled. Is this not slavery? I can anticipate the objection on the ground of freedom of contract and sanctity of agreement. If such an argument is seriously advanced may I ask all such gentlemen whether the sanctity of contract has not been considerably encroached upon in this very Bill when the House limited the term of agency, when the House over-rode the terms of Managing Agents with their insurers? On what ground was that done? Is it not on the ground of public policy, on the ground of unconscionable bargains or on various other similar considerations? In the case of Managing Agents the contract was entered into between the directors of the company who were presumably honest and intelligent men and men of learning, who understood the law and fully realised the effect of the contract into which they were entering, and the Managing Agents who were clever business people. When the House decided to over-ride such contracts entered into by equals as unconscionable or as against the interest of the policy-holders or shareholders, none of us took exception to it except the Managing Agents,—the seven Wise Men of the East as the Leader of the House called them. But in the case of field workers the contract is between unequal parties; on one side are young men who have just come out of their colleges without any knowledge of life and on the other side are shrewd business men with all legal talents at their back. A printed agreement is offered to them, a career is opened out to them and they quietly sign it. These inexperienced youths enter into the contract and after having worked for them for over 15 years or so, they are turned out on some pretext or other. If the Legislature comes to the help of these young men the Legislature will be doing what is just and fair. The only objection which I anticipate from my opponents is, the sanctity of contract should not be interfered with. On that ground I could understand the opposition if the freedom of contract had formed part of the fundamental laws guaranteed by constitution as it is the case with the constitution of the United States of America. But here in India, we find that various pieces of legislation have over-ridden freedom of contract. In such matters in India there is no freedom at all—I am only talking in this limited sense, freedom of contract. There is not a statute on civil law where you will not find this freedom has been restricted or limited by other considerations. There is no reason, Sir, why this question should not be dealt with by the Legislature. I want to submit that this a real grievance, a genuine grievance. I cannot help but quote from a letter which, in this connection, was written to the Directors of the Standard Life Assurance Company and which speaks volumes:

“But nonetheless I am not able from the materials before me to appreciate why the Company does nothing to appease a man who, in any light, has been subjected over a number of years to humiliations and restraints which I do not believe any one but an inhabitant of this country would have borne without staking his all in some attempt to get redress.”

These are hard cases. If I were to add to my advice to that given by the eminent Calcutta lawyer I would tell this worker that as this particular company has been incorporated by an Act of Parliament, he

[Sardar Sant Singh.]

should present a petition to the Parliament to revoke this Act. My submission, Sir, standing as I am here on the floor of the House, is that my Honourable friends on the Congress Benches need not give up any of the interests of the insurer by giving genuine relief to agents in this country. Therefore, Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

“ That after clause 35 of the Bill, the following new clause be inserted :

‘ 35A. Notwithstanding any contract to the contrary, the insurer shall be liable to pay all commissions on initial premium and renewals in accordance with the terms of agency on all business procured or premiums collected by such agents whether such agent is or is not in the service of the insurer at the time when such commission or remuneration falls due, and in case of the death of the agent, to his representative in interest.’ ”

The Honourable Sir Nripendra Sircar : Sir, my Honourable friend read some contracts, some of the terms of which he said were unconscionable, but if his amendment is carried, it will be ten times more unconscionable, and for this reason. My friend has been carried away by the flowery language of his client, but what is really the situation ? The insurer employs an agent ; the agent, after working for six months, goes away and says I have joined another firm or company. It is wholly against the interests of his old employer : he gives out all information which violates every principle applicable to the relationship between master and servant, and yet he has got to be paid, notwithstanding anything in the contract to the contrary. It is all very well to take up a hard case of some manager having been hard on some poor agent, but look at the other side of the picture. If this is allowed, notwithstanding anything to the contrary, he will go on receiving remuneration. Then there is nothing to prevent him from acting directly and adversely to the interests of the man who is going to pay him. I submit, Sir, this is ten times more unconscionable. My Honourable friend said that the position of an agent, under some contracts is that of a slave, but if this amendment is passed, the position of the insurer will be that of a slave : that is the position, he has transferred the alleged slavery from one person to another. Then, he said, it is such a horrible thing that under a contract any man should be left at the mercy of his directors, that is to say, one party can put an end to the contract of employment. Is that very unusual ? Is not every Government servant, however, high his position, holding his post at the pleasure of the Crown ? My friend is such an acute lawyer. May I remind him that although, in my terms of employment, there is a term that I shall be engaged for three years, I can be dismissed the next day by the Crown. You enter service under certain conditions, I will not call them a contract, if my friend objects, I will call them conditions. The obvious answer is, do not enter the service of such a company, but you cannot really give the go-by to the terms of your contract because you are looking at one side of the picture and of the supposed injustice. I dare say there are many cases of injustice to agents. But when you consider legislation you have got to look at the other side of the picture also. Then, Sir, as regards carrying out instructions, if I have an agent, I instruct him, will you carry this letter of acceptance to a certain person A : he goes, tears it up, goes to another insurance office and enters into a contract for the life of this man with

the other company : yet he must be paid, never mind that he has disobeyed the instructions, never mind that he has been dishonest. My friend has given me an example of an honest, devoted, faithful man discharged by a whimsical employer. May I take the other case of an honest employer being cheated by a dishonest servant who refuses to carry out the instructions given him, and acts adversely to the interests of the employer, joins another firm, and yet he has got to be paid. It is so monstrous, Sir, that I wonder how my Honourable friend came to put forward this amendment. But I can understand the situation : we have all been flooded with the representations of field workers. They are poor. Every one, including myself, have sympathy for them, but surely this is not the way to express your sympathy. It is encouraging dishonesty, encouraging disobedience, encouraging fraud, because, in spite of all this they will be entitled fully to the remuneration which is laid down in their contract.

Dr. P. N. Banerjea (Calcutta Suburbs : Non-Muhammadan Urban) : Can you not do something ?

The Honourable Sir Nripendra Sircar : It is an economical question. You are a Doctor in Economics, and it is a matter for you. I do not think, Sir, I shall take any more of the time of the House. Sir, I oppose this amendment.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : In a matter of this kind our attitude also should be made clear, and, for this purpose, I propose to say a few words on this amendment. We have just passed an amendment, an addition to clause 35 making provision in regard to renewal commissions which have been earned before the coming into existence of this Act. The amendment of my Honourable friend, Sardar Sant Singh, seeks to make a provision for the future renewal commissions, commissions earned in future. We are in agreement with this principle, but unfortunately, the amendment is too broad. My Honourable friend, Sardar Sant Singh, forgets that the renewal commission is primarily intended for services to be rendered by the agent to the insurer, so that in this manner, that is, whenever the policy-holder commits default he has to go to him and make him pay the premium and keep his policy in force—also very often—and I have personal experience of this—when a policy-holder commits default, the agent has to run to him and tell him how it is open to him to keep the policy alive and then he goes to the insurer and asks him to lend on the policy so that he may in the interim period keep up the policy : these are all the services which an agent renders. In cases where a policy-holder lives in an out of the way village, the agent even has to go to collect the premium and send it to the insurer. The original commission of 40 per cent. is given for the procuring of the business and is not intended for the future. Future commission is for future services. If, after the first or second premium is paid, the man is allowed to commit default or left to himself without any such help, there is no intermediary as between the insurer and the policy-holder : therefore, this agent who is the intermediary has to be paid something by way of remuneration and not as a pension. If he has been serving the company loyally for a long time and has brought in more business, then alone he is entitled to a pension. We have got other amendments later on, Mr. Sri Prakasa's No. 693, and Mr. Mohan Lal Saksena's also, to this effect that after a

[**Mr. M. Ananthasayanam Ayyangar.**]

continuous period of ten or even fifteen years, if during that time the agents have worked loyally for the insurer and have procured some business for the company, if thereafter they cease to be his agents, but on one condition that they do not go and serve any other company who is a rival to this and do not divert or take away the business of his company, on those conditions, by way of pension, notwithstanding any contract to the contrary, the agents may be given something. I do not know why within an earlier period than 15 years, contracts have to be broken merely because in the case of Managing Agents we have broken the contract. This contract will certainly be against the interests of the policy-holder. My Honourable friend, Mr. Santhanam, has suggested to me that instead of paying this renewal commission to the agent, if this rebate of 2½ per cent. is offered to the policy-holder there will be no default at all. The policy-holder will be safe. We are only trying to pay something to the agent who is an intermediary between the policy-holder and the insurer for doing some work : do you want him to be a drone and not do any business ? Therefore, while we are not against this principle, unfortunately this amendment is too broadly worded. As the Honourable the Leader of the House has pointed out the fact that if an agent becomes dishonest he would have to be paid all the same : under this amendment I need not allude to that again. Both on this and on the previous ground I have mentioned, that it is too broadly worded, this amendment cannot be accepted by the House and we do not agree.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That after clause 35 of the Bill, the following new clause be inserted :

‘ 35A. Notwithstanding any contract to the contrary, the insurer shall be liable to pay all commissions on initial premium and renewals in accordance with the terms of agency on all business procured or premiums collected by such agents whether such agent is or is not in the service of the insurer at the time when such commission or remuneration falls due, and in case of the death of the agent, to his representative in interest ’.”

The motion was negatived.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

The Honourable Sir Nripendra Sircar : Sir, I want to make a statement, with your permission, about the Insurance Bill about which I was asked some questions immediately before you came. May I read the statement, Sir ?

Mr. Deputy President (Mr. Akhil Chandra Datta) : Yes.

The Honourable Sir Nripendra Sircar : It was expected that the Insurance Bill would be finished tomorrow at the latest, and Honourable Members very kindly agreed to sit on two Saturdays to enable the Government to get the Bill through the Council of State this Session. I

informed the House that completion of our discussions here tomorrow was the last chance for the Bill being taken up by the Council of State this Session.

As matters have turned out, for which no one is to be blamed, the Bill cannot be finished tomorrow, and the Bill cannot be taken up in the Council of State till about the 6th October owing to the necessity of the Bill lying on the table of the Council for at least three days, and the 4th October being the date for the Hindu festival of Mahalaya. Even a formal amendment in the Council will involve the Bill coming back here about the 11th or 12th October, and, in ordinary course, it may be taken up by the House about the 14th or 15th October having regard to Rule 34. Apart from other considerations, I understand that Honourable Members are unwilling to stay here so long, particularly as the Puja week commences several days before the 15th October.

It is not possible, therefore, to get the Bill through the Council of State this Session, but I take the opportunity of contradicting reports which have been made in the press and elsewhere to the effect that Government desire to drop the Bill. I am authorised to state that Government do not desire to drop the Bill, the entire Government is behind it, and it will resist all attempts to wreck the Bill, if any party desires it—a fact which the Government have no reason to believe to be well-founded.

In order to get speedy conclusion of this Bill, Government have decided to summon a special Session of the Council of State on the 15th November for consideration of the Insurance Bill.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions : Non-Muhamadan Rural) : How long are we going to sit, Sir ?

The Honourable Sir Nripendra Sircar : That depends upon your pleasure. I am at your service.

Mr. Sri Prakasa : Is there no other work after the Insurance Bill is over ?

The Honourable Sir Nripendra Sircar : There is plenty of work. I don't want my friend to understand that we grudge to sit for too many days if this Bill goes on ; but we want to finish as soon as the Members can finish it.

Mr. S. Satyamurti (Madras City : Non-Muhamadan Urban) : May I take it, therefore, that if the Council of State makes any changes in the Bill, the Government will place the Bill before the Assembly, when we meet in the next cold weather Session ?

The Honourable Sir Nripendra Sircar : It must be so, because we cannot expect all of you to come here for just half an hour or even a day or two. That is the intention.

Mr. Sri Prakasa : Can they expect to get leave by the 2nd October ?

The Honourable Sir Nripendra Sircar : That depends on you. There is some more work after the Insurance Bill is over here, but when it will be finished I really do not know, but you are very optimistic if you think you will be going away on the 2nd.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : Can't we push off the sugar convention from Monday and take up insurance ?

The Honourable Sir Nripendra Sircar : Monday is fixed for sugar convention matters. I cannot speak in the absence of my Honourable Colleague, Sir Sultan Ahmad, but do we gain anything by pushing off sugar on Monday ?

Mr. Sham Lal (Ambala Division : Non-Muhammadan) : It is possible we might finish the Insurance Bill on Monday.

The Honourable Sir Nripendra Sircar : If Honourable Members so desire, they can even finish it tomorrow. But you can have a talk with my Honourable Colleague. It depends entirely on the wishes of Honourable Members. If they want that this should go on on Monday, I am quite willing.

Mr. S. Satyamurti : Sir, in view of the Honourable Member's statement that in any case this Bill goes to a special Session of the Council of State in November and comes to us if necessary in January, I should not be a party to disturbing the arrangement to discuss the sugar convention on Monday. After all, it was adjourned once, and I suggest that Monday should be set apart for discussing the sugar convention matter.

The Honourable Sir Nripendra Sircar : In fact, I cannot change it without consulting other people, and I see no point in changing it.

Babu Baijnath Bajoria (Marwari Association : Indian Commerce) : I think my friend, Sir Cowasji, was right when he suggested that we should postpone the discussion on sugar convention on Monday and take up the Insurance Bill on that day.

Several Honourable Members : No, no.

Mr. Deputy President (Mr. Akhil Chandra Datta) : No. 598.

Syed Ghulam Bhik Nairang (East Punjab : Muhammadan) : Mr. Deputy President, after having been an eye witness to the fate which the immediately preceding amendment met with at the hands of this House, I do not feel very much encouraged to move my own amendment, but as far as I have been able to consider the matter, I think my amendment is very much different from the amendment of Sardar Sant Singh, and, therefore, I like to take the chance....

Mr. Deputy President (Mr. Akhil Chandra Datta) : The Honourable Member should first move his amendment.

The Honourable Sir Nripendra Sircar : Sir, may I make a statement which may shorten the matter ? There are several amendments on these lines. Sardar Sant Singh's amendment was the widest, and I opposed it very strongly. Among the amendments which are on the list, there is one by Mr. Mohan Lal Saksena. It is No. 5 on the Supplementary List No. 5. It is not only the least objectionable from our point of view, but possibly we shall be able to accept it, although I don't want just now to commit myself absolutely to it. I am not asking my friend, Mr. Nairang, to withdraw it. If he wants to move his amendment, he can do. I only give an indication of my mind if that is of any help to the House.

Mr. T. Chapman-Mortimer : Did I understand him aright when the Honourable the Law Member said that he had not committed himself definitely.....

The Honourable Sir Nripendra Sircar : I have not committed myself definitely, because I have one point of view to put up before the Mover as well as the House, and it will all depend on what they say about it.

Mr. Deputy President (Mr. Akhil Chandra Datta) : It is for the Honourable Mr. Nairang to decide for himself if he should move his amendment or not.

Syed Ghulam Bhik Nairang : Sir, I shall take my chance and move my amendment, which is as follows :

“ That after clause 35 of the Bill, the following new clause be inserted and the subsequent clauses be re-numbered accordingly :

‘ 36. No insurance agent who has been employed by an insurer shall be deprived of or forfeit any commission or renewal commission earned on any policy or policies effected through him merely by reason of the termination of his employment by the insurer or by reason of his leaving such employment of his own free will ’.”

Sir, if I may be permitted to add a few words by way of further clarifying my meaning I will do so. I would like to add the following words at the end, namely, “ except on the ground of fraud or gross professional misconduct on the part of the agent ”.

Mr. Deputy President (Mr. Akhil Chandra Datta) : May I take it that there is no objection to these words being added ?

Honourable Members : There is no objection.

Mr. Deputy President (Mr. Akhil Chandra Datta) : The Honourable Member may proceed with his speech.

Syed Ghulam Bhik Nairang : Sir, the Bill which is under discussion in this Honourable House is no doubt a very elaborate legislative measure and has taken due account of the various interests. The policyholders have come in for their share of attention and consideration. The insurers have also received all proper and legitimate consideration which they could be entitled to and will further receive any consideration that may be due. All other persons or classes of persons who can be connected in any way with the business of insurance have been duly considered, but I am afraid that a large number of persons, the field workers, have so far received very scant attention at the hands of this House, and if anything can be done to safeguard their interests so that they may not be dealt with arbitrarily and unjustly by their employers I think it would be only in the fitness of things. The addition that I have made at the end of my printed amendment was due to what the Honourable the Law Member said in connection with the amendment of Sardar Sant Singh. He gave an illustration of an agent who, after having been employed by an insurer, say, for six months, gives up the service of that particular insurer and takes up service with another company and carries some secrets of the former firm with him. That made me think of adding those words in order that there may be a salutary provision safeguarding the interests of the insurers so that the agent, when entitled to a certain protection under this amendment, may not himself be free to practise fraud or to carry secrets or in other ways to misbehave

[**Syed Ghulam Bhek Nairang.**]

as an agent. On the one hand, he may be bound, under penalties of losing his commissions, to behave properly, and on the other, the insurer may be bound to pay him all his dues and not to confiscate those dues on pretence of any breach of conditions which may have been made with the agent. The instance which Sardar Sant Singh gave in his speech of a very well known insurance company having dealt with one of its oldest workers who had procured for it about a crore of rupees worth of business and having caused him a loss to the tune of lakhs, is, I think, an instance which should appeal to us all and we should, in all earnestness, take into consideration what legislative provision we can devise to see that such glaring injustice, on the part of the insurers, is not done to their humble workers who serve them. It was said that the insurers and their agents should be left freedom of contract and that such freedom of contract should not be interfered with by any legislative measure. But I would submit that freedom of contract has to be interfered with to a certain extent by legislation. If we pass this amendment that I have moved before the House, it will not be the only instance in which the Legislature will have interfered with the freedom of contract. There are so many other ways in which to safeguard conflicting interest or to impose on contracting parties the obligation to behave and act properly, we have to interfere with the freedom of contract. There are very many instances in which conditions are settled which are specially advantageous to the employer but are unduly disadvantageous and even unjust to the employed because the latter happens to be at the time either inexperienced, or very needy, or otherwise under the influence of the employer, and salutary provisions safeguarding the interests of such an employed should be embodied in this legislation. Therefore, I beg to move this amendment. I do not think that a lengthy speech is required. My object is perfectly clear. I simply want that there ought to be no unconscionable bargains made by insurers with their agents and the law should secure to the latter the payment of their dues after termination of service unless, as I have said, the agent is guilty of fraud or gross professional misconduct. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Amendment moved :

“ That after clause 35 of the Bill, the following new clause be inserted and the subsequent clauses be re-numbered accordingly :

- ‘ 36. No insurance agent who has been employed by an insurer shall be deprived of or forfeit any commission or renewal commission earned on any policy or policies effected through him merely by reason of the termination of his employment by the insurer or by reason of his leaving such employment of his own free will except on the ground of fraud or gross professional misconduct on the part of the agent ’.”

Mr. T. Chapman-Mortimer : I feel that in all quarters of the House there must be, as my Honourable friend the Law Member has said, sympathy with the underlying intention of this amendment. At the same time I am afraid we, on these Benches, must oppose it. The proposal here is that no matter what the insurance agent may do he will still go on being rewarded by way of renewal commissions for work which he is no longer doing, which is practically the same thing as saying that, if I, for instance, leave my firm for any reason, whatsoever, and join a rival firm, knowing all the secrets of my first firm, I should still have right

to be rewarded on the commission basis on which I am rewarded at present. That is absolutely contrary to all ideas of the relationship between employer and employed.

Now, Sir, the agents of a life insurance company,—and that is the agents we are dealing with now, because other types of agents do not get renewal premium, as their class of insurance is only a yearly contract, according to the amendment, should go on being rewarded, regardless of the fact that they are no longer working for the man who had appointed them in the first instance. I do not think it is fully understood by some of my Honourable friends, who have supported this amendment and lent it their names, that renewal commission is given for services rendered. It is not a sort of deferred payment. A great many people seem to think that when you act as an agent and introduce a piece of business, you get first of all, an initial commission, then you get a renewal commission year by year, which is rather by way of deferred payment. It is nothing of the kind. Renewal commission is given with the object of ensuring that the agent will keep in touch with the assured and see that he is satisfied on all points relating to the policy, and that he will also keep the insurance company informed as to the state of health, life and habits and so on of the assured. For this service, he is rewarded with the renewal premium. Therefore, it is not, as I have said, a case of deferred payment. It is perfectly true that there have been scandalous cases of companies abusing their position *vis-a-vis* the agents and terminating their services but you have got cases of fraud and dishonest conduct in every kind of business and here is a proposal which is going to mean that every insurance company is going to be placed absolutely at the mercy of insurance agents who will be free to leave their appointment with one company and start working for another company which is a rival company. No company, whether it is doing insurance or any other kind of business can possibly agree to a condition such as this and I am really astonished that a proposal of this kind should receive any sort of consideration beyond the natural sympathy that we all have for the man who is being dishonestly treated by some employer. I may draw the attention of the House to the actual wording of the amendment. In the last line, it refers to the termination of his employment. Agents are not employees of companies. They are agents. That is the term by which they are described. An employee is quite another person, but whether a man is an employee or an agent, he is carrying out certain duties for the company for which he is rewarded, as I have said, by way of renewal premium.

Dr. P. N. Banerjee : Is not an agent an employee ?

Mr. T. Chapman-Mortimer : No. He is "appointed". It may happen that certain employees act as agents or canvassers. That is another matter but we are talking of "insurance agents", not the employees of the company, though, even if they were employees of companies, the argument still holds good. Employers cannot go on rewarding a man who has left their service out of his own free will or joined a rival concern or has been dismissed for incompetence or breach of trust or whatever it may be. Sir, I oppose the amendment.

Mr. Shrin Lal : There is one principle of this amendment which I support. That is, it is a deferred payment and just as an insurance

[Mr. Sham Lal.]

agent insures others, he also insures himself for old age and when his services are terminated and he cannot work, he should get his renewal commission just like a pension. I do not think that a man should continue to work, whether he is in a position to work or not. There are two other points which I want to bring before the House and they are these. If there is a condition in the contract that an insurance agent would not get the renewal commission if he goes to another insurance company that term of contract is not unconscionable. Then there is another principle. He should serve the insurance company for, say, ten years or 15 years. If a man has worked for six months and has done a good deal of business and if he wants to get renewal commission, that is not proper. Therefore, the object of the Honourable the Mover would be best served if he supports Mr. Mohan Lal Saksena's amendment No. 5, in List No. 5. That is, if he has served for ten years in an insurance company, no matter whether he serves the company or not, he would get his renewal commission and it is not fair to a company that a man should go to a rival company and try to injure that company and still he should continue to be rewarded. I would, therefore, ask the Honourable the Mover to withdraw this amendment in favour of Mr. Mohan Lal Saksena's amendment. I do not for a moment support Mr. Chapman-Mortimer's view that it is a payment for the work done. If one has served for ten years, he can get his renewal commissions. Therefore I do not support this amendment.

Dr. P. N. Banerjea : My Honourable friend, Mr. Chapman-Mortimer, said just now, that an agent is not an employee. May I ask him to look at his own amendment which he moved yesterday and which was accepted by this House ? That amendment runs thus :

“ That at the end of clause 35 of the Bill, the words ‘ or any person who for the purposes of insurance business employs such agent ’ be added.”

So he cannot say now that the insurers do not employ agents. That would be wholly incorrect.

Mr. T. Chapman-Mortimer : On a point of explanation. I said that an agent is a distinct person from an employee. You may “ employ ” an agent. You can also “ appoint ” an agent.

Dr. P. N. Banerjea : When I asked you whether he is employed or not, you said he is appointed. Now you say that he could be employed. So your language is self-contradictory. Apart from that, I do not understand the mentality of employers who take up such an unsympathetic attitude towards the persons who act as their agents, whether they are employees or not.

A few minutes ago, the Honourable the Law Member objected to the amendment moved by my Honourable friend, Sardar Sant Singh. He said that there was another side to the picture. It is true that Sardar Sant Singh had in mind only the interests of the agent and the Law Member pointed out that the interests of the insurer should also be safeguarded. I do not mind if the interests of both the parties are safeguarded and I appealed to the Honourable the Law Member to take such steps as would ensure the interests of both the parties. He suggested that it was the business of an economist. Well, Sir, economists

are always ready to do justice to all parties. Economics is the science of welfare, and no economist is worth his salt if he does not try to do justice to all parties concerned. But it is the lawyer and the administrator who stand in the way. Economists are always ready to do good to all, and, but for lawyers and administrators, things would have been different in this world. Our Law Member is a man of great ability—a man of outstanding ability, and he has a large fund of good humour. His witticisms and sarcasms help to keep the House in good temper. If only he will use his great ability, his talent and his fund of good humour for constructive purposes, all my countrymen will remain grateful to him.

I support this amendment.

Sir Cowasji Jehangir : Sir, I cannot help feeling that many of my Honourable friends are rather led away by what they have heard from a certain class of insurance agents, but they have not quite understood the position. Just now my Honourable friend behind me and my friends of the European Group had a little discussion as to the difference in the words 'appointed' and 'employed'. Now, Sir, an insurance agent is more like a broker whether you employ him or appoint him.

Mr. Sri Prakasa : Why break him.

Sir Cowasji Jehangir : Break the broker ! They very often break us, as my Honourable friend, the Law Member will confirm, and most probably he has also broken my friend, Mr. Sri Prakasa. I was just trying to explain to the best of my ability what an insurance agent is. He is a person who is employed or appointed to do a certain job for which he is paid on each particular occasion. Now, Sir, you appoint an insurance agent and he effects an insurance policy and you pay him in two ways. In the first place, you pay him a commission, on the first year's premium, which is to be up to 45 per cent. Now, there is a limit of 45 per cent. for life insurance. Then, you pay him every year a renewal commission. Let us first deal with the commission that he earns in the first instance. As soon as he has effected a life policy, he has earned the commission up to 45 per cent. and nothing in the rules of any company can deprive him of anything that he has already earned. (Interruption.) I assert that he has got a cause of action against the company. A man has effected a transaction and a certain brokerage is due to him. You cannot, by any rules or regulations or by any executive order, deprive him of what he has already earned. I believe the cause of action is against the company. I appeal to my Honourable friend, the Law Member, to express his own opinion on this matter. Therefore, it is not at all necessary to put into this Act any clause which will force the companies to pay commissions which the insurance agents have already earned. That is the first initial commission on the first year's premium. Now, what is a renewal commission ? A renewal commission is something paid for work done from year to year as was explained by my Honourable friend, Mr. Chapman-Mortimer. It is not paid simply as a gratuity. The insurance agent has to do specific work in return for which he is paid a renewal commission.

Mr. Mohan Lal Saksena (Lucknow Division : Non-Muhammadan Rural) : Is he required to collect premiums ?

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Sir Cowasji Jehangir : Yes, and I will tell you what his duties are so far as I know them. As soon as he ceases to do those duties, which I will explain shortly, he ceases to earn his renewal commission. Now, what are the duties he has got to perform both for the company and the policy-holder ? In the first place, he does sometimes collect the premium. He reminds the policy-holder of the due date of the premium and he performs a duty to the company by seeing that the policy does not lapse. He is constantly in touch with the policy-holder. He gives the policy-holder any information that he may require and he is supposed to be an intermediary officer between the company and the policy-holder during the period of the existence of the policy or for some limited period. Now, what is it that my Honourable friends want the House to do ? They want the companies to go on paying this renewal commission, this salary, although this man does not perform his duties and is either dismissed or leaves the service for any cause whatever. I am leaving aside, for the present, the question of fraud or unprofessional conduct. When the man leaves the service of the company, why should he be paid the same salary for work which he was supposed to do from year to year ?

Mr. Sri Prakasa : Because the policy-holder is still alive.

Sir Cowasji Jehangir : The company will have to get somebody else to do that work. If that particular insurance agent is dismissed or leaves the service of the company, somebody else will have to perform those duties of being an intermediary between the policy-holder and the company. Who is going to do that duty and who is going to pay for it ? Should the company pay salaries to two persons for one set of duties ? I contend again that any commission that an insurance agent may have earned belongs to him and no company can deprive him of it, and I further contend that such an insurance agent may have a cause of action in a Court of law. It is exactly like a broker. He transacts your work and the bargain is struck. You cannot then turn round and say that you can make any rules and regulations because you happen to be a limited company and deprive that broker of his brokerage. He has a cause of action against you. He has done his job. His contract was that he should do a certain job. He has done that job. Then it does not matter one little bit, whether he does no further jobs for you, whether he is dismissed or whether he discontinues to do any further job for you, he has earned that commission for the work he has already done. No Court of law will refuse to give him that commission which he has already earned. I beg of my Honourable friends not to be misled by anything which they may have heard, but to dispel from their minds, once and for all, this supposed trait, of some insurance companies of attempting to deprive their insurance agents of the original commission. I have already attempted to explain what I understand to be renewal commission and I tried to expound it to the best of my ability that those renewal commissions are paid for services rendered. If these services are discontinued for any reason whatsoever, then you cannot make the companies or anybody else—the insurer—pay for services not rendered and which under the original contract had to be rendered. Therefore, all these amendments that will be moved are covered by the same arguments. I hope my Honourable friends, Mr. Sri Prakasa and Mr. Saksena, will consider what I have said and if they think that there is anything reasonable in my explanation, I hope they will not insist upon amendments of this one-sided character where the insurance agent does not perform his duties and does not carry

out his terms of contract and yet forces the companies to pay for services which are not rendered.

Mr. M. S. Aney (Berar : Non-Muhammadan) : Sir, I had no mind

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first of all to say anything with regard to this amendment. But I believe the very lucid speech which my Honourable friend, Sir Cowasji Jehangir, has just now made, makes out a very clear case in support of this amendment itself. He has explained to us very clearly as to what is the real nature of the commission that falls due for the work done. If, for that, there is a legitimate cause of action on which the agent can file a suit and claim the commission in a Court of justice, there is then at least no valid reason why my Honourable friend should not allow the present amendment to go into the Statute-book. If there is any addition here, which is really against the interest of the insurer and which is also against the principle of equity, I should like to have heard it from him on that point. I was carefully listening to all that he was saying. I did not come across any argument that he advanced which really goes to create any difficulty for us in accepting the principle laid down in this amendment. If there are conditions, according to him, in the contract between the agent and the insurer, of such a nature that he is debarred from getting advantage of the commission which he has really earned, then those conditions are certainly, even according to the case which he has propounded, unconscionable—I can understand if there is any fraud or if there is any misconduct of professional nature such as his deliberately joining a rival company to ruin the work of the former company. That, I submit, will come under gross professional misconduct. It would certainly come under that and these exceptions are provided in the amendment. I do not see what is the ground on which anybody can say that that agent should not be allowed to get commission which he has really earned for the work—call it in the capacity of broker or agent or by any other name, whether he broke the head of one man or knocked down another man in the course of that work, as Mr. Sri Prakasa observes. I do not mind—which he has done. He is there. This amendment does not ask for anything more than this. It does not say that you should pay him for the work which he has not done, or that you should pay him when he is conducting himself in such a way that he is injuring the interest of the insurer. All these exceptions are provided for.

The only other point which my Honourable friend, Mr. Sham Lal, made, deserves consideration. The point was this. Suppose a man does work only for six months and then runs away. My Honourable friend has really taken an extreme case which is of an exceptional nature. I, however, say that the condition of ten years or 15 years or anything like that will be also a great hardship. I can understand the inequity of the case of a man who only does work for six months and then runs away and joins some other company and yet, on the basis of the work which he did for six months, that he should be entitled to get renewal commission all along. That is a different case. The condition which he wants to introduce, namely, that of ten years is also an equally difficult condition.

Dr. P. N. Banerjee : He must not also be engaged by any other company.

Sir Cowasji Jehangir : How do you propose to give salary for work which he does not do ?

Mr. M. S. Aney : I am only speaking on the considerations put forward by my Honourable friend, Sir Cowasji Jehangir. It may be that the amendment before the House does not cover that case. But there is no reason why an amendment like this, with some suitable modifications, should not be accepted by the House. I am not particularly enamoured of this particular amendment. But the principle on which it is based is quite sound and I want my Honourable friends to consider whether the ten years period which they have got in their amendment cannot be properly curtailed and brought down to a reasonable period. By some such compromise, and if the amendment is properly drafted, I am sure the House will find it convenient to consider it and accept the same. I understand the difficulty pointed out by my Honourable friend, Mr. Sham Lal, arising out of allowing even a short period of six months or one year for such concession. But ten years also in my opinion is too long a period. A man might really be robbed of his legitimate dues which he has earned if he does not serve for such a long period as ten years. That ought not to come in the way of his getting whatever is legitimately due to him. I would suggest that there should be some *via media*, some kind of reconciliation between these two extremes. Both these amendments are based on the same principle. I also find that the House is generally reconciled to the principle enunciated there. Make proper exceptions to cover cases of fraud, etc., which I am quite sure will cover the case of a man joining a rival company. But I want that you should definitely lay down the principle in the statute itself without leaving it to the man to fight out his case in a Court of law. Even though there is cause of action, you should not compel the man to recover his legitimate dues only by having recourse to a Court of law. There are many things for which there is a good cause of action and which admit of being recovered through a Court of law. The Courts have to decide matters on such evidence as is put before them in the cases before them. It is always desirable to rely on a Court of law as a last resort. When you make laws, you must, as far as possible, avoid the necessity of recourse to Courts of law by the people for the redress of their legitimate grievances, or make unambiguous provisions to enable the sufferer to get relief in Court if necessary. With that end in view, I suggest there should be some understanding arrived at between my Honourable friend, Syed Ghulam Bhik Nairang, and my Honourable friend, Mr. Mohan Lal Saksena, and we should combine the two amendments in such a way as to make it possible for us all to accept it unanimously.

Mr. Sri Prakasa : Sir, my Honourable and esteemed friend, Sir Cowasji Jehangir, told us to keep quiet so that we may be able to learn something from him. Being brought up in the traditions of ancient Sanskrit learning, I thought that a few pertinent—even if they be impertinent—questions will help us to have more knowledge. But when he asked me to keep quiet so that I may learn, I kept as quiet as a boy of ten at school. But to my misfortune I was not able to learn much; but if he will now keep quiet, he is now going to learn much from me. I should like to assure him that though we have heard from Managing Agents, we have never heard from insurance agents—he may be quite sure that no insurance agent or body of insurance agents have come to me or any other Members of the House to put forward their grievances.

Sir Cowasji Jehangir was at pains to tell us exactly the duties of insurance agents; and he also gave us an elaborate description of how they

work. Now, Sir,—I hope no one will repeat the story outside this House,—I am going to tell him an experience of my own. I happen to be insured in his company,—the Oriental. I have paid my premium for a number of years. Really I have not seen the insurance agent after the first time when he came to me and asked me to insure myself. Well, Sir, I feel that though the insurance agent has not been very nice to me I should be nice to him, as the Congress law always is to do good to those who do you evil ! Sir, instead of this insurance agent coming to me and telling me when my premium is due, I receive a letter,—it is called a notice,—every three months asking me to pay up ; and each time they give me what they call a month of grace to make the payment. It so happens that in the course of my duties I have to find myself in his Majesty's jails from time to time ; but these notices continue to come. Once it happened that the notice arrived a few days after I myself arrived at the end of one of these experiences of mine ; and in the midst of greetings and meetings with friends the days of grace elapsed. Then I suddenly recollected that I have something to pay to this famous Oriental which really should now all call itself Occidental. I sent them a cheque, but they fined me Rs. 2 for delay in payment ; they said that the cheque had arrived so many days later, though I have taken care to pre-date the cheque ! (Laughter.) And I had to pay.

Then let me relate another experience of mine with the said company. They sent me no notice ; but I remembered of my own accord that I had something to pay. I looked up my books, and I found to my dismay that the days of grace had ended, though no notice had come at all and no insurance agent had come either. So I sent them a cheque and wrote to say that I had never received any notice from them, and that thinking the time for payment had come I was sending them a cheque. They said in reply that they were not bound to send a notice ; that it was only a sort of courtesy on their part to send these notices, and that the days of grace having ended I had to pay another Rs. 4 or so as fine. If my Honourable friend will look up the books of his Lucknow agency, he will find that I am not exaggerating the fact at all. So I had to pay an extra amount as fine to revive my policy, simply because I paid the money after the days of grace. And what had happened—as I afterwards discovered—was that the company, which has my registered address and to whom I send my address every three months, because they want the address every three months with their renewal notices, had addressed their notice to ' Benares State ' instead of ' Benares City '. Now Benares State is one of those excrescences on our body politic about which my Honourable friend, the Law Member, refuses to answer questions (Laughter) however much Mr. Satyamurti may press him, because that is a part of the proposed Federation ! So the letter addressed to Benares State never reached me ; and I was fined ! So much for the Oriental or the Occidental or the Southerner or the Northerner, whatever name the Company may give itself.

Thus we see, Sir, the agent never arrives. From what my Honourable friend has said, I should think that his agents keep themselves perpetually in touch with the insured and see how they are getting along. So at least I might have expected visits from his agent while I was in jail. (Laughter.) The agent might have inquired how I was getting along. Now, Sir, it did happen once that I got very seriously ill in jail and I felt that at last the company would have to pay up, because I was really very ill and His

[Mr. Sri Prakasa.]

Majesty's representatives, members of the I. M. S., jolly well left me to die. Even in those serious circumstances there was no visit from any agent at all. At least so far as the Oriental is concerned, I can assure the House, from long personal experience, that their agents neither care to see that you pay your premium in the time nor are they very careful about your help.

Sir H. P. Mody (Bombay Millowners' Association : Indian Commerce) : He was probably waiting outside for your funeral ! (Laughter.)

Mr. Sri Prakasa : If he was doing that, I did well to disappoint him. However, I fear, the funeral will come long after the maturity of that policy. They have insured such a good life that they will have all their premia all right, I fear. Therefore, Sir, Mr. Sham Lal is quite correct, as the facts are, that the renewal commissions are in the nature of deferred payments and they ought to be made to him. I would personally have supported my friend, Mr. Ghulam Bhik Nairang, if at the last moment, he had not added the clause about fraud, etc. Personally, Sir, I have a great sneaking regard for those who can commit fraud (Laughter), and, whenever anybody tries to check those who are liable to commit fraud, I must say I have no sympathy ! Sir Cowasji Jehangir also said that in case an agent is aggrieved there is always a cause of action by which he means, I take it, that he can go to Courts of law. If he once goes to a Court of law, he will find after checking his expenses that he has much less at the end than at the beginning. It reminds me of a story. A distinguished editor belonging to the city of the Law Member had a visit from some thieves in his house at midnight. This editor said to the thieves, "Well, brothers-in-law,—as you know, that is the most endearing expression used in our languages (Laughter),—" go on thieving ; but tomorrow I will see to you in my paper." (Laughter). So, by the time the morrow came and he wrote a long leading article against those thieves, all his goods had disappeared ; practically he had no cause of action either at law or in his newspaper office ! It is no use waiting for such things ; we must take the remedy in our own hands at once.

Then, Sir, my Honourable friend, Mr. Chapman-Mortimer, has said some very nice things and I think Government should take full stock of the principles which he has laid down. He says that persons who had served him are not entitled to any pension or any other privileges if they go and serve somebody else. I find that I. C. S. gentlemen who retire from service on pension find shelter on his Bench (Laughter) and get better employment than in the original service. Almost all of them are anxious to get employed elsewhere after they have sucked my country dry and continue to draw pensions. Mr. Chapman-Mortimer must not forget that there may be other folk also in this world who might like to take up some service after they have dispensed with their first service : and I feel, he ought to extend his sympathy to them as well. I, therefore, support the principle of this amendment as well as similar amendments that are on the order paper. My own amendment on this subject is 693. There I say if a man has served for 15 years exclusively he should be given his renewal commission, provided he does not take up another service. I made all these conditions in order to put forward a practical proposition before the House. I know, Sir, that the Law Member is a very strict

individual. We all know, that he believes in astrology. I may give just a little incident of his own life—it was when he was still ‘muling and pewking in his nurse’s arms’—his family astrologer whom his fond parents consulted, said ; ‘this boy will carry everything before him, nobody will be able to resist him in anything !’ His life is a living proof of the truth of this prophecy.

Mr. S. Satyanurti : Not in the matter of the Communal Award.

Mr. Sri Prakasa : If I may turn myself into an astrologer for the moment, I will say that he is going to get his way there as well.

After considering all possible alternatives I thought that if I appealed to him in the terms of my amendment, he might relent and accept. I am pleasantly surprised, Sir, to find that he is now even willing to accept Mr. Mohan Lal Saksena’s suggestion which reduces the minimum of an agent’s service from 15 to 10 before enabling him to have all the privileges contemplated by the amendment. Therefore, as a practical proposition I should earnestly suggest that when he is sympathetic to the terms of our amendment and is willing to accept it—at least I hope so, despite the halting manner in which he told Mr. Chapman-Mortimer that he was not yet committing himself—and when he has accepted the principles underlying our amendment,—the House, instead of wasting its time in considering the various other amendments on the order paper, will adhere to Mr. Saksena’s amendment and pass it unanimously.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : I rise simply to point out one thing. We are not legislating that the agents should be given any commission or any renewal commission. It all depends upon the terms of the contract : if it says that the renewal commission is payable only on certain conditions or contingencies, that contract will take effect. Unless you provide that any conditions, which prescribe that certain things should be fulfilled for the payment of the renewal commission, should not have effect these conditions will prevail. Therefore, whether we accept this amendment or that of Mr. Saksena the words “notwithstanding anything to the contrary” should be inserted. If they are not inserted these clauses will be futile because the agreement will take effect, and if the agreement says renewal commission will be payable only for so many years and not afterwards, it will hold good. I, therefore, suggest that these words “notwithstanding anything to the contrary” should be inserted. It is only to draw the attention of the House to this that I have risen, and I hope this will be borne in mind.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : I rise to support the amendment of Syed Ghulam Bhik Nairang. My reason is this. If we do not have a provision of this kind the insurance agents will be hardly hit in this way. It is necessary, if an insurance agent wants his name registered, that his application must go through an insurer, and the insurer can simply refuse his application. He will then no longer be eligible for any remuneration, and I am afraid if a provision of this kind is not passed, there will be a good deal of unfairness against agents in future. Suppose a particular agent has collected sufficient policies for an insurer, and has earned permanent income of five thousand a year. Then the insurer will say, here is my one agent who takes so much money for nothing. Perhaps the policy-holders he has secured are honest men like my friend, Mr. Sri Prakasa, who does not need

[Dr. Ziauddin Ahmad.]

any reminder from the agent, but still pays himself the premia. The insurer may refuse to sign his application for the renewal of contract on slight pretence, for instance you have not answered my letter in time, although the letter might have gone astray or gone to a wrong address. Or he might say I have quite a number of agents, I want to limit the number of agents. For any of these reasons he may refuse to forward the application for the renewal of Registration Certificate and thus confiscate the allowance of the agent. He has earned on account of his good work in the past. In that case the insurer will turn out all the persons who have earned a large commission. So if a provision of this kind does not exist, I am afraid that these insurers, after a certain number of years, will dismiss their agents in order to avoid payment of this five per cent. commission on premia which they have earned for the life of the policies and there will be a good deal of distress among insurance agents.

Sardar Sant Singh : I congratulate the Honourable the Law Member for his open-mindedness in telling the House that he is somewhat sympathetic towards the principle underlying the amendment, and for assuring the House that he may accept it though he has not definitely committed himself as to what he will accept. I want to point out that in the amendment, as it has been moved by my friend, there are sufficient safeguards to restrict the amendment to the commissions already earned. I will draw the attention of the House to the wording of the amendment which reads :

“ No insurance agent who has been employed by an insurer shall be deprived of any commission or renewal commission earned on any policy ”

It does not refer to deferred payments as was feared by Sir Cowasji Jehangir and Mr. Chapman-Mortimer. The safeguards are there and this is agreed, that whatever has been earned should be paid to the agent, whether he leaves the service or remains in the service.....

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Notwithstanding an agreement to the contrary ?

Sardar Sant Singh : There are no words like that.....

Mr. M. A. Jinnah : What does it mean ?

Sardar Sant Singh : I have not followed the Honourable Member. It means, in spite of anything in the agreement of agency, whatever has been earned shall not be forfeited. Now it was alleged by Sir Cowasji Jehangir about this that there is no such condition in any terms of agency which makes earned commissions or renewals as forfeitable. I wish to draw his attention to the words occurring in the Standard Life Assurance Company's agency where it is specified :

“ All business which stands on the company's books of your introduction and under which commission is being paid to you is all forfeitable under the terms of the agency.”

What the amendment wants to protect is that whatever renewals have been earned, the commissions earned should be declared non-forfeitable in spite of any agreement to the contrary except on those conditions. Now, our friend of the European Group said that it does not stand to reason that a person who has left the service of a company should be getting payments.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

My objection to this sort of argument is that whatever he has done, the services he has rendered, he should get payment for that according to the agreement which holds good. Advantage should not be taken of the fact that because he has left the service, therefore, whatever he has done for the company, whatever service he has rendered to the company, he should be deprived of the benefit of it. The question is not of deferred payments. This amendment does not ask for deferred payment, but only for payment which has become due to the agent on account of services rendered. This is a distinction which has not been kept in view. Now, as regards the amendment of Mr. Mohan Lal Saksena, which seems to find favour with the Honourable the Law Member, I have this objection to make that in this amendment the period of service is specified and it is pretty long. My objection to the principle of the present agreement between the commission agents and the insurers is that they make slaves of their commission agents when once they enter to work for those insurers : I want to do away with this slavery. That is my chief aim ; and this particular amendment of Mr. Mohan Lal Saksena keeps the slavery alive. Therefore, I will not be a party to this amendment. My principle is that whatever has been earned should be paid by the insurer to the person who has earned it, and it is equitable, just and according to the principles of good conscience. I submit that if any period is to be fixed for this service, it should be a nominal period, not a very long period as it is fixed in this amendment. Therefore, I will support the amendment of my friend, Mr. Ghulam Bhik Narsing.

Some Honourable Members : The question may now be put.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That the question be now put.”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That after clause 35 of the Bill, the following new clause be inserted and the subsequent clauses be re-numbered accordingly :

‘ 36. No insurance agent who has been employed by an insurer shall be deprived of or forfeit any commission or renewal commission earned on any policy or policies effected through him merely by reason of the termination of his employment by the insurer or by reason of his leaving such employment of his own free will except on the ground of fraud or gross professional misconduct on the part of the agent ’.”

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim) : I understand that there has been one amendment left over—No. 573 in the name of Mr. Satyamurti.....

Mr. S. Satyamurti : The Honourable the Law Member said that it might stand over till today, Sir. If he is ready, we can take it up. We have given him our suggested definition.

The Honourable Sir Nripendra Sircar : I have been shown the suggested definition and I have accepted it, but I do not know whether it has been seen by all sides.

Mr. President (The Honourable Sir Abdur Rahim) : What is the idea ?

The Honourable Sir Nripendra Sircar : The idea is that if we define "insurance agent" in clause 2, then amendment No. 578 is not wanted.

Mr. President (The Honourable Sir Abdur Rahim) : If it is by way of explanation to clause 35, then you must have it now. If you want to put it in the general definitions.....

The Honourable Sir Nripendra Sircar : I want to put it in the general definition : and it can be taken up when you take up clause 2.

Mr. S. Satyamurti : The Honourable the Law Member's idea is to put it in clause 2 : this can be withdrawn now on that understanding.

Mr. President (The Honourable Sir Abdur Rahim) : Very well. The question is :

"That clause 35, as amended, stand part of the Bill."

The motion was adopted.

Clause 35, as amended, was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

"That clause 36 stand part of the Bill."

Babu Baijnath Bajoria : Sir, I move :

"That clause 36 of the Bill be omitted."

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions : Non-Muhammadian Rural) : Sir, there are so many clauses which refer to Insurance Agents. We have not yet got through the definition of Insurance Agent. My submission, therefore, is we cannot discuss this.

Mr. Bhulabhai J. Desai : Clause 35 has just been passed.

Mr. President (The Honourable Sir Abdur Rahim) : As regards the provisions in respect of Insurance Agents, we are dealing with them now.

Mr. Akhil Chandra Datta : But there are several others too, and until they are disposed of we can't take up the present amendment.

Mr. President (The Honourable Sir Abdur Rahim) : As regards the substantive provisions, there has been a definition of Insurance Agents. There are these provisions also. How will these provisions apply ?

The Honourable Sir Nripendra Sircar : Sir, I have got the definition in my hand, but some of my friends have not yet seen the copies. May I just read it out to the House ? It is not a very long definition ? The definition is this. "Insurance Agent" means an insurance agent licensed under section 37 being an individual who receives or agrees to receive payment from an insurer by way of commission or other remuneration in consideration of his soliciting or procuring insurance business". I am quite prepared to move this.

Mr. President (The Honourable Sir Abdur Rahim) : That will be better, I think.

Mr. M. S. Aney : Sir, I object to the definition being taken up just now. It pre-supposes that we pass clause 37. Supposing the licensing clause is not passed by this House, then the definition will have to be modified. So I think we should take up clause 37, dispose it of and then come to this definition. Let us not have a definition which pre-supposes our consent to clauses which have yet to be discussed by this House.

The Honourable Sir Nripendra Sircar : If there is objection to the definition being taken up now, by all means let it be taken up on the next day, but there is nothing in the point that until this is defined we cannot go on. My Honourable friends have passed clause 35, and that also contains the same wording. Surely if they can pass clause 35, then they can equally pass clause 37 which contains the same language.

Mr. President (The Honourable Sir Abdur Rahim) : We have gone on like that. I must say that it would have been much more satisfactory if the insurance agent had been defined, but since we have gone on like this, let us proceed.

Babu Baijnath Bajoria : Sir, I move :

“ That clause 36 of the Bill be omitted.”

This is amendment No. 3 on Supplementary List No. 4. Sir, clause 36 forbids payment to any policy holder of any rebate out of the commission either by the insurer or by the insurance agent or anybody acting on their behalf like the Chief Agent or special agent, Branch Managers, etc. The party or the policy holder or the would-be policy holder is precluded by this section to get any commission directly or indirectly as an inducement to take out a policy. I don't understand how this will benefit either the company or the insurance agent or the policy holder. An insurance agent gets a certain amount of commission for securing an insurance policy. He gets 45 per cent. in the case of a life policy and 30 per cent. maximum in regard to a general insurance policy. Is it a crime on the part of the insurance agent to give a part of his commission, which he is going to earn merely to conclude the business? It is his money. The company is not robbed or defrauded in any way. If he can get business by giving a part of his commission to the policy holder, I don't understand how anybody suffers. On the other hand, this will mean that the insurance agent will be able to do much more business than he will ordinarily be able to do. I shall explain the position clearly, Sir. The commission of 45 or 50 per cent. of the first year's premium is paid by the company to the insurance agent, but I may inform the House that this 45 or 50 per cent. is not entirely digested by the insurance agent alone. He has to pay a major portion of it, retaining for himself say five or ten per cent. to the policy holder to induce him to take out a policy. An insurance agent has to pay nearly half the premium of the first year to the prospective policy holder. I don't understand again how this is a crime, or how this is detrimental to the interests of anybody. If the policy holder does not get a portion of this commission, let us consider what will be the effect on big companies and small companies. We have, first of all, licensed agents. We have

[Babu Baijnath Bajoria.]

fixed the commission. Supposing an insurance agent of a big company goes to a policy holder and induces him to take out a policy in his company, say, from the Oriental, or British Mercantile, or North British, or any other big company, the policy holder asks, "What are your terms?" The agent says: "The terms are (supposing the policy holder is a man of 30 years of age) you have to pay Rs. 55 per thousand." The policy holder asks, "What do I get?" The reply is, "Here is the Bible, this Act. I cannot give you anything. If I give you anything or if you take anything both of us will be fined". Now, if an insurance agent of a small company, which is a sound company, though not so big as the Oriental or some of the big foreign companies, goes to a policy holder and asks him to take out a policy from his company saying that his company is a sound company, the natural question will be, "What are you going to give me?" "Here is this rate (it may be Rs. 55 or 53, one or two rupees less)". "What shall I get on the first year's premium?" will be the next question. The answer will be, "No commission. I cannot give you anything. Here is this Bible, this Act." Certainly the person will say good bye to the insurance agent of the smaller company, "I do not get any inducement, whatsoever, why I should not go to the bigger company who are so well-known to me and whose assets and life funds are so well-known?" I submit that it will be practically impossible for the smaller insurance agents to effect insurance policies under these circumstances. We have given ten per cent. more under our amendment which we passed yesterday, but that we give to the insurance agent, that does not go at all to the policy holder. The policy holder does not get any inducement whatsoever. I will again say it is not a crime and it should not be prohibited. The insurance agent will not be able to digest this big commission which is provided for him in the first year. I will give you one instance. For a ten thousand rupee policy the premium is Rs. 550. 45 per cent. of this comes to Rs. 247-8-0 and 55 per cent. to Rs. 302-8-0. Do you expect that the insurance agent, even if he gets this, will be able to digest this?

Mr. Bhulabhai J. Desai : Reduce it and have another lesser premium, not this unequal fraud.

Babu Baijnath Bajoria : If you forbid rebate it is just encouraging dishonesty. My Honourable friend, the Leader of the House, in opposing the amendment of Sardar Sant Singh earlier in the day said that that would encourage dishonesty. I say that this clause 36 if passed will lead to corruption, it will lead to dishonesty. Big persons and big policy holders will be able to get their commission one way or the other, but it will be the small policy holders who will be left without any commission. I shall give you one instance. Suppose I want to insure my life for Rs. 50,000. I go to a company and ask for commission. They say, "I cannot give you any commission. The deal should be done through an insurance agent". I reply to him "here is an assistant of mine. You have only to sign an application and he will become an insurance agent on payment of Rs. 3 and the commission will be paid to him and I will get that commission". Do you understand?

Mr. S. Satyamurti : We cannot understand these frauds.

Babu Baijnath Bajoria : You understand everything. If you cannot understand me you cannot understand anybody. The small companies will suffer and insurance business also will suffer. The insurance agent, instead of effecting ten policies, will be able to effect only two policies and this clause is obviously unworkable and will lead to corruption. Let me now come to general insurance business, I mean, fire and marine. My Honourable friends must know that there is a Fire and Marine Insurance Association at Calcutta. They have got a tariff that they will pay so much commission, say, 15 per cent. on the rate, it is 15 per cent. I know because I have to pay it in case of fire and marine accidents. But they pay 35 to 40 per cent. but only they say, do not tell this to others. They tell the same thing to everybody else. But everybody gets it and there it is. I know that the tariff has not got the force of a statute as it will have now, but still I say that this thing will go on. I say that by the licensing of agents, by the limiting of commissions, and, lastly, by forbidding this rebate system to the policy holders the smaller companies will greatly suffer and big companies will gain and the general insurance business also will suffer. Sir, I commend this amendment to the House. I move.

• **Mr. President** (The Honourable Sir Abdur Rahim) : Amendment moved :

“ That clause 36 of the Bill be omitted.”

Mr. S. Satyamurti : I have heard with astonishment the speech of my Honourable friend, Mr. Bajoria. I hope that the small insurance companies will tell him when they next meet him, “get thee behind me”.

Babu Baijnath Bajoria : They never saw me.

Mr. S. Satyamurti : My Honourable friend's suggestion is that small insurance companies can get on only if commissions are unlimited, if unauthorised rebates are allowed, and if agents are unlicensed. God help those companies if they are to follow Mr. Bajoria's advice ! It seems to me that his speech today is an incitement to these people to commit fraud in this country ; his speech is a justification of the frauds now committed, or hereafter to be committed. His speech is like that of a man, who knows how these frauds can be committed.

Babu Baijnath Bajoria : I take strong exception to these observations.

Mr. S. Satyamurti : You may, but your speech is like that. Clause 36 says :

“ No insurer, and no insurance agent acting on behalf of an insurer, shall allow or offer to allow either directly or indirectly as an inducement to any person to take out or renew a policy of insurance any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.”

I ask, what is there in this clause to which any honest man can take any honest objection ?

Babu Baijnath Bajoria : I have told you.

Mr. S. Satyamurti : I am pleading for this that, if an insurer publishes the terms of a policy, and says, if you pay so much premium per year I will pay in an eventuality or at the end of a stated period a certain sum,—that is the published term of the contract between the insurer and the insured. Then we also provide that there shall be a commission payable to the agent. My Honourable friend wants that, outside these terms of contract not mentioned therein, but privately and informally, the agent who gets the commission for securing the policy must get more than he ought to get.

Babu Baijnath Bajoria : You have not understood me. Out of this commission to which he is entitled he will pay to the policy holder.

Mr. S. Satyamurti : I do not propose to give way to these arguments. We have heard them.

Babu Baijnath Bajoria : But you have misquoted me.

Mr. S. Satyamurti : What my Honourable friend wants is that the agent must be free to part, with a part of his commission, to the insurer as an unlawful inducement for him....

Babu Baijnath Bajoria : Not unlawful.

Mr. S. Satyamurti : Yes, unlawful ; I repeat, unlawful inducement for him to take out a policy.

The lawful inducement is this. The " Oriental " is a good company. I pay Rs. 50 a year and in the event of a certain eventuality my wife and children will, after me, get a certain sum. The unlawful inducement is to say : ' Over and above this payment, you need not pay so much. I will give you something from my pocket '. Is this not so ? I want to know what is the honesty of this transaction. What is the business in this transaction ?

Babu Baijnath Bajoria : You don't know business at all.

Mr. S. Satyamurti : I would rather be an honest man having no business, than a dishonest man doing dishonest business. It seems to me that the thing has got to be analysed in all its nakedness. Some of us have become so familiar with these things that the horror of it pales into insignificance before us. The facts are these. There are three parties—the insurer, the agent, and the policy holder. The insurer says : ' Pay me so much per year, and I will pay you so much. ' The insured says : ' I will pay so much, please fulfil your contract '. In between, comes the agent and says to the insurer : ' You give me so much money. I won't put the whole thing into my pocket. I will pay some of it to the insured, to come to your company in preference to others not because he thinks your company is better, but because I offer him some unlawful inducement by way of rebate '.

Mr. M. S. Aney : If you want to make it unlawful, you make it unlawful. Otherwise it is not.

Mr. S. Satyamurti : I am sure, my Honourable friend will appreciate the point that when he is wanting a man to do a thing which he is not compelled or willing to do by offering him some inducement that is unlawful : Bribery is a sin, besides being an offence under the Penal Code. My simple point is this. Here is a man who wants to insure his life. He

is offered an inducement outside the terms of the contract. But apart from that let me take the other point. I have two very strong objections to this policy of rebates. My Honourable friend says that the poorer people will suffer, if these rebates are taken away. I differ from him. On the other hand, I believe that, under the present system of rebates, the richer and the more unscrupulous people get more rebates than the poor unsophisticated people who cannot understand the blackguardism of this kind of business. They are people who cannot make equal bargains. The richer people walk away with it. The poorer people don't. But my main argument is that, if the insurer can allow rebates to be paid to the insured, we have made out an unanswerable case for the reduction of commissions to canvassing agents and of premiums. Instead of giving unequal rebates, and instead of giving impossible commissions, let honest insurers put their heads together and reduce the premiums altogether and commissions also. That the agent's commissions can be limited has been amply proved by my Honourable friend's statement. My friend has admitted that part of the commission goes as rebate. Therefore, the agents will not suffer, and there is no case for the position that commissions cannot be limited.

Then, Sir, so far as the average policy holder is concerned, I submit
 4 P.M. it is much better for him to get the premiums lowered all round. It is an open transaction. Everybody knows about it. Nobody can get an undue advantage. If, therefore, insurers can afford these rebates, I suggest there is very good case for the lowering of premiums all round, for which we have always stood in this House. So far as the general business is concerned, I was very pleased to hear, without any contradiction from the European Benches, what was said by my Honourable friend who moved the amendment. He said that every general insurance company offers rebates. Only they tell him : ' Don't tell others '. That is the kind of " fair field and no favour " they want. I am glad that this testimony has come from one who knows them far better than I can ever hope to know.

Babu Baijnath Bajoria : I am glad you admit that.

Mr. S. Satyamurti : I don't do it, and I don't admit it ; but I am glad that this thing has been admitted on the floor of the House without any contradiction from the European Benches. I say that is the most powerful argument against the amendment. I advanced the argument yesterday, and I am glad it has been reinforced today, that general business is being conducted by this process of secret rebates. They ought to go, and the earlier the better. I strongly oppose this amendment.

The Honourable Sir Nripendra Sircar : The matter strikes me in this way. Suppose there are three companies and they all announce, in the tables, that the rate is, say, Rs. 35 per month for a man who is aged 25, the amount being payable at 55, the terms being all equal. The world knows that the rates of the three companies are the same but in fact what will happen if the first company knows and allows a rebate of Rs. 5 to be paid, the second company knows and allows a rebate of Rs. 10 to be paid and the third a rebate of 15. Then, as between the policy holder and the company, really one man is getting his policy by paying Rs. 30, the other by paying 25 and the third by paying Rs. 20. Therefore, there is really a fraud on the public to say that the rates of these companies are

[Sir Nripendra Sircar.]

equal. They are not ; because the policy holder is not paying that rate which is published but is recouping a part of it through the commission which is payable to the agent. That, I submit, should be condemned as a viscious system. I admit that this question is mixed up with the question which we disposed of yesterday, namely, the question of fixing the maximum commission and about maximum commission, with which this is very closely connected, I heard an astounding argument from my Honourable friend, Mr. Akhil Chandra Datta. Mr. Datta is generally of equable temper and of kind language. Probably his visit to the more vigorous climate in the Occident has changed his temperament and he indulged in rather uncalled-for and unjustified personal attack. All the same his main point was this—that the Honourable the Law Member in these questions of maximum commission and licensing of rebates is not proceeding on a sense of justice. He has come to some arrangement with some party.

Mr. Akhil Chandra Datta : I spoke about the limitation of commission and I never mentioned licensing and other things.

The Honourable Sir Nripendra Sircar : I have come to an arrangement on other questions too. One allegation is enough. They all stand on the same footing. What did Mr. Akhil Chandra Datta want for the young companies ? He wanted the chief agent to be excluded. I agreed with Mr. Chapman-Mortimer's amendment, which I accepted, that the chief agents *plus* certain other persons should go out. Where is the question of immorality or expediency if I say : ' Yes '. I believe in restricting commission and in preventing rebates. My friend said that it should not be extended to such and such persons and that an arrangement had been come to. I propose to do it every time it suits me and I do not feel ashamed of what I have done.

Mr. Akhil Chandra Datta : And I will protest every time.

Sir Cowasji Jehangir : What did you say about the effect of the visit to Europe ?

The Honourable Sir Nripendra Sircar : The effect of Europe has been a stiffening of the constitution and hardening of the temper.

Now, Sir, on the question of prevention of rebate, I do not know that, in spite of the very powerful and influential voice of Mr. Bajoria, he will find very many persons here to support him and in that view—I may be right or I may be wrong, but I believe I am right—I do not think I should waste further time of this House. I strongly oppose his amendment. I am very fortunate that he has not moved for the delition of the whole of this Chapter.

Mr. M. S. Aney : Sir, no person in this House will be more delighted than myself if the object which the framers of this clause have in view can be successfully carried out by this clause. It is an attempt to put down the system of rebate which has, unfortunately, grown of late in the insurance world. All that I feel is this. Are you really providing against it any effective remedy by enacting this clause, or will the fraud be continued to be perpetrated in spite of this ? After all, it is a secret transaction between the agent and the insured and even today no insured generally admits that he has received a rebate and no agent also admits that he has given a rebate and yet I am told that the thing goes on merrily. What is the

remedy for the detection of this fraud ? That is what I want to know. Unless you provide some effective method in this Bill to detect frauds of this kind, I am sure the frauds that will be perpetrated by the bigger companies will go undetected and the younger companies will suffer. I, therefore, want my Honourable friend, Mr. Satyamurti, really to suggest something which will prevent these frauds and to find out some other effective remedy by which it shall be possible to detect frauds which are being perpetrated every day. What happens is this. A man who is likely to take out a big policy is approached by several agents who belong to several companies. The only way by which these agents can think of getting that particular customer is by making some offer or inducement to him. There is no other way. Supposing it is known that my Honourable friend, Mr. Hari Rao Nayudu, is likely to insure himself for a lakh of rupees. There will be so many agents of so many companies trying to woo him. He will be the centre of so many wooers. He will naturally say to these agents : ' What is there that I should make a choice of you ? ' Sir, this practice of rebate or rather this vicious system of rebate has cropped up on account of one man being the centre of attraction for so many agents.

Mr. Bhulabhai J. Desai : Is he a monogamist ?

Mr. M. S. Aney : I do not know, but let us assume that everyone of us is a monogamist. My point is this that the thing grows in this way. Naturally, all the talk about this rebate and everything connected with it is going on in the dark. There is a law in the Indian Penal Code about bribery and there is a section to that effect. We say that the entire system of Bureaucracy is corrupt. The Congress, having accepted office, is trying to find out ways to purge the service of this pernicious habit of corruption or bribery. But, in spite of the law being on the Statute-book, we have not succeeded in getting rid of this bribery to any appreciable extent. We cannot get rid of a thing merely by saying that it is bad. In order to get rid of it, something more effective has to be done. If we find that a particular remedy has not proved successful, then we must think of a better remedy and not merely be contented by repeating the same old thing. According to our present law, both the man who gives the bribe and the man who receives the bribe are offenders and punished. Do you know why the law relating to bribery is not effective ? Because the man who has offered the bribe gets involved also to the same extent as the man who has taken it. So, you make the proof of the bribe impossible by making that law. You make both of them culprits at the same time. Therefore, my point is that the same sort of mistake is being committed in this clause. And if we have learnt anything by our experience in finding out that the law of bribery has been ineffective for so many years in spite of the law being on the Statute-book, then we should try to recast this clause in some other way so as to make it more effective. If we cannot think of any other way, then I think it is futile to protest against it. You may protest as long as you like but I am sure those persons who are interested in this big business will carry on this nefarious trade in spite of the righteous indignation which my friend, Mr. Satyamurti, exhibited here. I am very glad that he has expressed himself strongly and taken up an attitude of opposition to it. All that I have to say in conclusion is that I do not stand for this rebate and I do not want it.

Mr. Sham Lal : Sir, Mr. Bajoria complained yesterday that there was an unholy alliance between the Government and the Congress Benches.

Babu Baijnath Bajoria : I did not say that.

Mr. Sham Lal : You did say that. He said that there was an alliance which he condemned. Does he want our alliance ?

Babu Baijnath Bajoria : I do not want your alliance at all.

Mr. Sham Lal : We are not going to give you our alliance.

Babu Baijnath Bajoria : You have stooped low.

Mr. Sham Lal : We have stooped low and Mr. Bajoria wants to defend fraud and theft. This rebating is nothing short of theft and so far as the Honourable Mr. Aney is concerned, he has also condemned it.

Babu Baijnath Bajoria : Does your own company Bharat give this rebate or not ?

Mr. Sham Lal : The company does not give it and if the insurance agents give it, I condemn it and the practice must be stopped. You yourself are the Managing Agent of so many companies and I think my Honourable friend, Mr. Sri Prakasa, was quite right when he said that you should be taken to the abattoir by the Honourable the Law Member. The Managing Agents who can encourage and can support such frauds are not doing their duty properly. Even my Honourable friend, Mr. Aney, wants that there should be some effective remedy against rebating. Sir, it is a well-known fact that this is a bad practice but it was reserved for the Honourable Mr. Bajoria to commend it and to say in this House that rebating is a desirable practice. Does he want our alliance to support this practice ? He only wants that the Government and the Congress should always be at loggerheads and he should walk arm in arm with the Law Member to the Government lobby. This is what he desires. He only wants to give a demonstration of his loyalty. He only wants the Law Member to walk with him in the Government lobby, but when important interests are at stake, he keeps silent. He walks into the Government lobby when repressive laws are being opposed and when Resolutions with regard to repressive laws are being debated. Then he wants to make a demonstration of his loyalty. But when fraud is to be defended here, he comes forward and says that he is a great business man and that he is a Managing Agent of so many companies.

Mr. T. Chapman-Mortimer : On a point of order, Sir. Is it in order for one Honourable Member to talk in this fashion about another Honourable Member ?

Mr. President (The Honourable Sir Abdur Rahim) : If the Honourable Member has used any unparliamentary language and if my attention is drawn to it, I will certainly take notice of it.

Mr. Sham Lal : I do not want to use harsh language against my Honourable friend, Babu Baijnath Bajoria. He complained against alliance between the Congress and the Government. If the Government wants to stop fraud, the Congress is not ashamed to make common cause with the Government in removing fraud, whether it be on the part of businessmen or on the part of anybody else. I may perhaps remind the House of the advice which Mahatma Gandhi gave to a certain person. That person said : " Well Mahatmaji, I have given an assurance to the Kapurthala State that I would not take part in politics and I have also given security for Rs. 2,000. Now, I want to take part in politics. Can

I do so in spite of the assurance which I gave to Kapurthala State " ? What was the advice which Mahatma Gandhi gave to that person. He said, " You should not break your promise. If you want to break your promise, give an application to the Kapurthala State with a currency note for Rs. 2,000. You cannot break your promise in such a light hearted way ". If Government really want to stop these frauds and these malpractices, whatever may be the experience of my Honourable friend, Mr. Bajoria, we, the Congress, would certainly make an alliance with the Government and root out this evil. We are not ashamed of our conduct. It does not lie in the mouth of my Honourable friend, Mr. Bajoria, to blame us. Now, Sir, he wants to defend rebate. He says that the man who gives the rebate says, ' dont tell it to anybody '. According to my Honourable friend really everybody gets the rebate. If that is the practice then why not lower the premium because it will then be for the benefit of all. There would be no fraud. If in the market, my Honourable friend, Mr. Bajoria, has a shop and if he has got different rates for different people, is it honest business ? In the case of rebate, a clever man might get a rebate, but a poor man or an ignorant man may not get the rebate. My submission is that there cannot be any Honourable Member of this House who could really defend rebate. While people are devising ways and means of stopping this rebate, I am surprised that any Honourable Member should come forward and openly encourage and defend this malpractice. I could never imagine that my Honourable friend, Mr. Bajoria, would descend so low and try to defend the undefendable thing. I now come to understand his position. His position is clause 37 should be omitted, agents should be unlicensed ; rebate should be allowed. These are the sort of amendments which my Honourable friend, Mr. Bajoria, is putting forward. I can liken his position to that of a man who is a perpetual litigant whom we generally find in Courts. When he is shown his promissory note which he executed, he will say : " my signature is a forgery ". If it is proved that the signature is genuine, then he will say, ' no doubt, I executed the promissory note, but no consideration passed for the same ". If it is then proved that he did receive consideration, he will say, " that is an old debt, some deduction should be allowed to me ". If some deduction is allowed, then he will say, " I am a poor man, instalments should be allowed to me ". In this way the litigant would plead. Similar are the pleadings of my Honourable friend, Mr. Bajoria. He is putting up hurdles after hurdles at every step against this insurance law so that this insurance law may not be passed. I thought the Honourable Member gave an extension of three years to Managing Agents. In spite of that my Honourable friend wants that the agents and canvassers should be unlicensed and that they should be let loose upon the poor people giving rebate of premium. This is all my friend wants. I, therefore, submit that we should not listen to the pleadings of Mr. Bajoria. We are not afraid, nor ashamed of any alliance between two parties to put down these frauds whatever Mr. Bajoria might say. I can understand there can be difference of opinion between people ; they can hold different views on various subjects, but with regard to this question of rebate, there can be no two opinions.

Now, Sir, with regard to the position taken up by my Honourable friend, Mr. Aney, the respected Leader of the Congress Nationalist Party, I thoroughly agree with him that there cannot be any effective remedy for any evil. But I submit we should make a beginning and we should try to stop this malpractice. In the case of bribery also people are punished. I

[Mr. Sham Lal.]

want to remind my Honourable friend that businessmen are generally very much afraid of committing any offence. They are afraid of being punished in Courts of law. You can go through their account books. You will find rebates entered in their account books. It is very difficult for them to conceal these malpractices. If there is no law prohibiting these malpractices of rebate, these businessmen would go on merrily just as Mr. Bajoria said just now, "everybody said, don't tell it to any body, don't tell it to anybody". Does he want this malpractice to continue indefinitely? I think we should unanimously support the retention of this clause in the Bill. I do not think there is any difference of opinion in the House about this rebate being a malpractice and a fraud upon the people and it is a fraud upon the policy-holders.

Mr. Bhulabhai J. Desai : Mr. President, I am aware of the tribe to which my Honourable friend, Mr. Bajoria, belongs and it is not my desire to examine anything that he said personally, but for the fact that he let fall two or three observations which I think it is my duty to answer and place my views before the House, I should not have thought it right to occupy the time of the House. The position is this : apart from the kind of things which my Honourable friend, Mr. Bajoria, thinks is being done every day and he may take it from me that I know even more than what he has chosen to confess in this House, for I have defended more persons in criminal Courts than perhaps he is aware of, but, none-the-less, I am one of those who believe that efforts should be made by legislation to prevent evasion of the law to the extent to which it is in our power so to do, I am, therefore, not at all deterred from supporting the existence of this clause by the fact that he knows a thing or two how to evade it. But let me remind him that I know two or more things by which to pursue the evader in every way so that there may be no means of evasion. In spite of the fact that he has taken the House into confidence, I do not propose to go to his school to learn some more ways of evasion at all. What we want to do here is this. My Honourable friend yesterday voted against the limitation of commission to the canvasser. I was wondering why he did that. Now I begin to appreciate that because the more the canvasser gets, the more will the insured of the kind that my Honourable friend refers gets. The whole object of not limiting the commission is to get a lion's share of it himself, i.e., insured. May I point out to him that this is a vicious circle. If he is going to be the insured, as he says he is, he will say 'give him the entire 100 per cent., the whole of the first year's premium to the insurance agent'. In that case the insured—in this case my Honourable friend—gets 90 per cent. rebate by saying, "I am a very stiff client, these other fellows are soft people, probably they will be content with 30 per cent. or 40 per cent., but in my case nothing doing". I will assume for the purpose of argument that he has succeeded in this. What does it indicate? It indicates that he ought to have voted for ten per cent. instead of 40 per cent. to which he was objecting. For if 40 per cent. is still going to leave a margin to give rebates to my Honourable friend.....

Babu Baijnath Bajoria : On a point of personal explanation, Sir ?

Mr. Bhulabhai J. Desai : Neither do I want a personal explanation from my Honourable friend nor do I have any thing to explain. I propose to expose the whole theory behind all these unlicensed agents leading in

this case to anlicenced amount of rebate. (Hear, hear.) That is what I propose to point out in a moment. You object to voting for 45 per cent. even though that still left you with a margin which you propose to take yourself. Why not be straightforward and say give him 30 per cent. which is due for his labour so that the company will be left with the remain.ng 15, and let the company then honestly publish another table reducing their premia by Rs. 15, and then I and he will get an equal benefit. But he wants an unequal benefit, the benefit of a man who can beat down and beat down and can get more and more. That sort of unscrupulous inequality we do not want and we shall not stand. I know another thing, that whatever he may say in this House about ways and methods of evading it, many of that class if they are fined one rupee and asked to sit down in Court till the rising of the Court, they are unable to show their face in their own community. And I am quite certain that, if this law is enacted, there will be a conflict between greed on the one hand and *izzat*, formal respectability, on the other, and I have not the smallest doubt that *izzat* will win. The point in short is this that we have done our best to limit the commission. My friend's statement today shows that if he were more honest in the matter of this legislaion,—not personal honesty—of which I am not talking,—what he ought to have done was to move an amendment reducing the 45 per cent. of the rebate which he is now getting and which I do not know. Because, supposing he was getting 20, I think it was up to him to say, "25 per cent. is a good return for labour, the other 20 comes to me. So I take it the other way about". After all Rs. 100 start from you as the insured, and it goes to the insurer, then the insurer pays 45 out of it to the agent and then 20 of that finds its way to you. Why should that devious method be allowed in any trade or business I fail to understand. I, therefore, say this, that we believe in the more honest and the more straightforward course; give to the agents exactly what is due to them for their services and leave no margin for this kind of thing to be done, namely, that he having got 45 gives you 15 if I am a soft client and him 20 if he is a hard one as he is, give perhaps 10 to a still more soft one and gives nothing to the poor. That is a kind of thing which I hope we shall not lend our aid to legislate. Therefore, we have done right and we stand justified today in the eyes of all my friends here against limiting commissions. For, as soon as it is pointed out that the man the insurance agent has got a margin to pay you back his commission is more than his true remuneration for labour. That is the first point. The second point is that if there is any way of preventing that commission being paid back, because the commission is voted for the insured as reward for his labour, it is for the company to see whether he gets more than his labour and the company ought not to let loose people who, out of their supposed remuneration, unequally treat their clients. I think it is a kind of fraud which the insurer should not lend himself to, either as between his own agents and their respective clients, Bajoria and so on, or as between the different companies. And it is time that this House took notice of the method which is going on, because I know that there are men who get more. I know that there are men with their gradation getting less and less until the poor man, the Rs. 500 *policywallah* gets nothing at all. To him a paper is shown and he is told that there can be a contract on no other terms. Nobody wants any evasion of law for getting the benefit of this, and we want to prevent it. Not only that but we want to have

[Mr. Bhulabhai J. Desai.]

licensed agents. We do not want these men being unlicensed without any check upon them who would lend themselves to the kind of device which is put forward before this House ; and I hope and trust that if there is any evasion by any insurance agent of section 36 which is the subject matter of this discussion, it should be and will be one of the disqualifications of his continuing as a licensed agent for the purposes of insurance. So that, he may remember that this House by means of sections 35 to 38 has devised a scheme,—and I commend it to my Honourable friend, Mr. Aney, although it may not be perfect,—which if carried out as I expect they will be carried out notwithstanding the methods known, I have no doubt an attempt to evade it will not be made if there is even a penal provision of Rs. 50 fine. For I am quite certain that as against a fine of Rs. 50 to be paid as condemnation in open Court, very often a rebate would have to be given up reluctantly. I suggest to the House that the scheme in clauses 35 to 38 is an attempt to make business more honest, more straightforward, and if we have not succeeded in evading or avoiding or eradicating all fraud, let us make, at least the best effort to do so.

Several Honourable Members : The question may now be put.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That the question may now be put.”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That clause 36 of the Bill be omitted.”

The motion was negatived.

Mr. S. C. Sen (Government of India : Nominated Official) : Sir, I beg to move :

“ That in clause 36 of the Bill, after the word ‘ insurer ’, occurring in the first line, the words ‘ no employer of an insurance agent licensed under section 37 ’ be inserted.”

I do not think it is necessary to explain the purpose of this amendment. It only supplies one of the gaps which was in the section. It is really consequential to the amendment of Mr. Chapman-Mortimer which was carried yesterday by the House.

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) : The question is.

“ That in clause 36 of the Bill, after the word ‘ insurer ’, occurring in the first line, the words ‘ no employer of an insurance agent licensed under section 37 ’ be inserted.”

The motion was adopted.

Mr. T. Chapman-Mortimer : Sir, I beg to move :

“ That in sub-clause (1) of clause 36 of the Bill, for the words ‘ take out or renew a policy of ’ the words ‘ effect or renew an ’ be substituted.”

This is really a verbal change and the reason for it is this. It may happen that an assured takes out a policy for (say) a thousand rupees and later on he increases it to Rs. 10,000, and thereby, the whole effect of this clause will be evaded. It is for that reason that we suggest that the proper insurance phrase "effect" should be used instead of "take out". If that were done, anyone who first took out a policy for Rs. 1,000 and subsequently increased it to Rs. 10,000 in the hope of evading the section would be prevented from doing so.

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

"That in sub-clause (1) of clause 36 of the Bill, for the words 'take out or renew a policy of' the words 'effect or renew an' be substituted."

Mr. S. C. Sen : Sir, we accept the amendment.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

"That in sub-clause (1) of clause 36 of the Bill, for the words 'take out or renew a policy of' the words 'effect or renew an' be substituted."

The motion was adopted.

Sir H. P. Mody : Sir, I desire to make a verbal alternation in the amendment which stands in my name ; I have already given the amended draft to you. The amendment which I am now moving runs as follows :

"That in sub-clause (1) of clause 36 of the Bill, after the word 'insurance' occurring in the fourth line the words 'in respect of any kind of risk relating to lives or property in British India' be inserted."

I am making this amendment at the suggestion of my Honourable friend, Mr. Sen. My idea is to tighten the provision of the law. The words "take out or renew a policy of insurance", or the other words which have been just adopted, may apply only to policies taken out, effected or renewed in British India, and it might be possible for, say, a company in the United Kingdom to effect a policy in the United Kingdom on risk arising in British India, give a rebate, and, thereby, defeat the provisions of this section. It is the object of my amendment to make it absolutely certain that so long as life or property in British India is insured, then, no matter where the insurance is effected, the provision against rebate would apply. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

"That in sub-clause (1) of clause 36 of the Bill, after the word 'insurance' occurring in the fourth line the words 'in respect of any kind of risk relating to lives or property in British India' be inserted."

Mr. S. C. Sen : Sir, we accept.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

"That in sub-clause (1) of clause 36 of the Bill, after the word 'insurance' occurring in the fourth line the words 'in respect of any kind of risk relating to lives or property in British India' be inserted."

The motion was adopted.

Dr. Ziauddin Ahmad : Sir, I beg to move :

“ That in sub-clause (1) of clause 36 of the Bill, the words ‘ nor shall any person taking out or renewing a policy accept any rebate ’ be omitted.”

In moving this particular amendment, I am really restoring the provision of the original Bill which was laid before the House. In the original Bill we provided this only for the agent but nothing for the insured. My friend, Mr. Aney, has just pointed out on the floor of the House that if you make this provision, then the proof will become impossible. Of course, we are all in favour of doing away with fraud altogether, but I think to talk of honesty in relation to the Insurance Bill is itself dishonest. If you make it all one-sided then it is possible to get a proof, and as the Law Member said very clearly in regard to the original draft it ought to be onesided. Suppose an insurance agent took an insured to the theatre, spent Rs. 200 on his entertainment, then I should like to know whether it is really a rebate, and whether it is dishonesty or bribery. Suppose he makes a present or subscribes to a fund in which the insured is interested. Will it be honesty ? It is exceedingly difficult to say whether it is rebate or dishonesty. Suppose an agent gives toys to the children of an insured or a cheque for Rs. 100. It is really a very important thing that we should make it onesided if you really want to remove dishonesty, but the moment you make it punishable in either case, Sir, as was pointed out by Mr. Aney, it is exceedingly difficult to get proof. Therefore, I move.

Mr. President (The Honourable Sir Abdur Rahim) : Amendment moved :

“ That in sub-clause (1) of clause 36 of the Bill, the words ‘ nor shall any person taking out or renewing a policy accept any rebate ’ be omitted.”

Mr. Sri Prakasa : Sir, I wish to take the opportunity of coming to the rescue of my friend, Mr. Bajoria. We all know that he is the most unoffending person ; and he will not hurt a fly even if he can catch it. (Laughter.) We all know that flies go at the rate of 161 miles per hour and have over a thousand eyes ; but my friend can scarcely walk more than two miles an hour and has only two eyes. I must confess that I have much sympathy with his point of view. But I may be permitted to say just one thing of importance, which will probably appeal to him, because he is essentially a religious man. The laws that we are making today are in the nature *Dharma Sastra* ; and just as we honour *Manusmriti* today as laying down the ideal law which we are all breaking, so this law will be regarded as a *smriti* a thousand years hence, only to be broken. The law or *Dharma Sastra*—I may say with such meagre knowledge as I possess—is an expression of the ideal that rules people at a particular age. Today those who are in the position of making laws also lay down the exact ideal to which ordinary human beings should conform. The law is merely laying down that ideal. Of course, there would always be people who can get round the law, there will be people who will help others to get round the law. Our own Leader himself has just now said that he had occasion to defend many criminals in his life. In other words he was able to show these criminals the way to prove that they were not criminals at all. Mr. Bajoria need not have any fear ; he

will get plenty of people in Calcutta to help him to get round the law if he should so desire. But so far as the Legislature is concerned, it wants to lay down what it thinks people should do.

So far as the particular amendment of Dr. Ziauddin is concerned, if the amendments on the order paper were to be critically examined, it would be found that I too have a similar amendment; but I have been informed, Sir, that it is only the rich and powerful folks that are able to get these rebates and ordinary poor people do not even know that a rebate is possible. Therefore, we lay down this particular clause. I have learnt, that persons very high in service, persons who are actually judges or advocates; have tried to get rebates from agents who have gone to them for insurance business. When I found, Sir, that judges can do such things, then I thought it was time that they also had a year or two in prison where they have sent hundreds of others. I was now convinced that this is the proper thing. I hope, therefore, that Mr. Bajoria will have no objection to the Bill standing as it is because he will see that it is only the expression of an ideal: we all know that though there are so many clauses in the Indian Penal Code, we are all always breaking them. Out of 511 sections of the Indian Penal Code, I do not know how many of us are here who can say they have not broken many scores of them at least. But the law only says that persons should behave in a particular way. If they do not behave and they are caught, they are punished, and if they are not caught, the law has nothing further to say to them. Therefore, I think that if we enshrine our own ideal in the form in which this Bill has placed it, it will do good and no harm. Therefore, I oppose the amendment and support the original clause.

Babu Baijnath Bajoria : Sir, I am very sorry that the amendment which I moved with the best of motives should have been taken wrongly by the Congress Party and I am also very sorry.....

Mr. Bhulabhai J. Desai : Sir, that stage has passed : we are now on this amendment and I submit the Honourable Member must address himself to the amendment before the House.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member is merely replying : he has been subjected to very strong criticism and I think he is entitled to reply to it.

Babu Baijnath Bajoria : I am very sorry that the Leader of the Opposition, and the Deputy Leader of the Opposition, the Congress Party, should have spoken in the strain in which they did : I challenge them if they have the courage to repeat what they said here, outside this House and I will take them before a Court of law. Mr. Satyamurti has made an insinuation against me that my speech was made to incite people to commit fraud. If he has the courage to repeat outside the House what he has said in the House, I shall challenge him in a Court of law.....

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member cannot issue challenges like that. He will confine himself to the subject under discussion.

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Babu Baijnath Bajoria : I was only relating what the practice is, how people will be able to get out of this section ; and if by explaining that I have incurred their displeasure I cannot help it and I do not care a tuppence for it. (Laughter.) I am not accustomed to make seditious speeches like my Honourable friends...

Mr. President (The Honourable Sir Abdur Rahim) : No seditious speeches are allowed now.

Babu Baijnath Bajoria : I still say that taking a rebate is not a fraud at all : it cannot be. If willingly an insurance agent gives a part of it to conclude the business with a policy-holder, how can you call it a fraud ? With all due respect to what I have heard from Mr. Sham Lal and the two leaders who adorn the Congress front benches....

Mr. F. E. James (Madras : European) : Have you ever got rebate from his company ?

Babu Baijnath Bajoria : I have and without asking ! (Laughter.) Mr. Sham Lal does not know. He was speaking through his hat (Laughter.).....

An Honourable Member : Through his Gandhi cap !

Babu Baijnath Bajoria : They will soon replace it by hats when they come this side.

A motive was attached to me in voting against the amendment of my Honourable friend yesterday, that I wanted more than 45 per cent. That is not the point. The point was this : I do not care whether you made it ten or 110 per cent. My point was that you were making it 45 per cent. for the bigger companies : and 55 only for companies of ten years standing : and for companies of only seven or eight years standing, in a few years they will have to compete on equal terms with the big companies, and that was not possible. It will hurt the young companies. That was the motive with which I resisted the amendment. It was not the fact that I wanted to get more. By God's grace I have got enough. (Laughter.)

An Honourable Member : But you want more !

Babu Baijnath Bajoria : I know how these leading lawyers, when clients like myself or any client goes to them, how many frivolous things they point out how to deceive and how to cheat (Laughter), and I say that without fear of contradiction....

Mr. President (The Honourable Sir Abdur Rahim) : I think the Honourable Member has said enough about other matters. He will now confine himself to the amendment before the House.

Babu Baijnath Bajoria : You want me to speak to the amendment, Sir, while all the time they were abusing me. This amendment that has been moved by Dr. Ziauddin Ahmad also stands in the name of another Congressman, Mr. B. Das. (Laughter.) I hope that if there has been any misconception on the part of the Congress Party about my motives it has now been cleared up. I have got no personal interest, whatever, in this Insurance Bill and I am always inclined to support young companies and I am always inclined to see that a good Bill is made in the interests

of insurance business in this country. I am not a party, as my Honourable friend, the Leader of the Opposition, is, every day, to pacts: he comes here every now and then with a pact or an agreed thing. I, Sir, want to discuss everything here, frankly. We do not want that a fraud should be perpetrated on this House. (Laughter.) Every day that is being done. All the other parties, these cross and middle benches are being ignored altogether. With these words, I resume my seat.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That in sub-clause (1) of clause 36 of the Bill, the words ‘ nor shall any person taking out or renewing a policy accept any rebate ’ be omitted.”

The motion was negatived.

Mr. T. Chapman-Mortimer : Sir, I move :

“ That in sub-clause (2) of clause 36 of the Bill, for the words ‘ taking out or renewing a policy ’ the words ‘ effecting or renewing an insurance ’ be substituted.”

This is consequential on amendment No. 601. Sir, I move.

Mr. S. C. Sen : Sir, we accept the amendment.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That in sub-clause (2) of clause 36 of the Bill, for the words ‘ taking out or renewing a policy ’ the words ‘ effecting or renewing an insurance ’ be substituted.”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That clause 36, as amended, stand part of the Bill.”

The motion was adopted.

Clause 36, as amended, was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) : The question is :

“ That clause 37 stand part of the Bill.”

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division : Non-Muhammadan Rural) : Sir, I move :

“ That clause 37 of the Bill be omitted.”

When I moved for the omission of clause 35, I had in mind this clause 37, and I made it clear that clauses 35 and 37 should be taken together. In the speech of the Honourable the Law Member, for whom I have the greatest respect, he gave us to understand that the whole clause had only reference to the agents and not to anybody else that is to say neither to the special agent, nor to the organizers or to chief agents.....

The Honourable Sir Nripendra Sircar : May I rise to a point of order, and I want your ruling on this. We have passed clause 35, and in clause 35 we have used the language “ licensed under section 37 ”, and the present amendment is that clause 37 be omitted completely.....

Mr. President (The Honourable Sir Abdur Rahim) : What does the Honourable Member say to meet that point ?

Mr. M. S. Ansy : Sir, when section 35 was passed there is no doubt a reference was made to clause 37 and to the language “ insurance agent

[Mr. M. S. Aney.]

licensed under clause 37", but I believe the real effect of passing clause 35 is not that this House has sanctioned or passed clause 37; but the real meaning is that if this House rejects clause 37, clause 35 would be consequentially amended. Sir, clause 37 contains several provisions, and as that clause was never before the House for consideration....

The Honourable Sir Nripendra Sircar : You can modify it.

Mr. M. S. Aney : Modification may go to the extent of complete abolition. Once the Honourable the Law Member concedes that the clauses have to be put to the House before they form part of the statute law, he will have to concede the right to make any amendments in the clauses or even to oppose them entirely. There is nothing to prevent any Member of the House from exercising his right, either to modify the clause by a little amendment here or to modify it by a little amendment there or to oppose the very principle of it. The Honourable the Law Member has already taken some risk by adjusting clause 35 which he should not have taken. As Law Member and as the Leader of the House, I thought he would have asked the President to put this clause first before any other clauses having reference to clause 37 for discussion, but as he did not do it,—I am sure the risk is not very great, and he knows it,—he cannot at any rate now make it a ground for preventing any Member from exercising his legitimate right to oppose the principle of licensing agent. I, therefore, feel that the objection cannot hold water for a moment.

Mr. President (The Honourable Sir Abdur Rahim) : Many of the clauses in the Bill are connected with each other, and it would be very difficult to say that if a clause is passed, it must necessarily have the effect of barring out amendments to other connected clauses that follow. In this case, no doubt the licensing agent or agent licensed under section 37 in clause 35 is mentioned, and the provision therein applies to him, but it is open to the House, when clause 37 is put to the House, to negative it if it so desires; there is nothing to prevent the House from doing it. I, therefore, rule that the amendment is not barred.

Mr. Bhulabhai J. Desai : Sir, before the House rises today, I understand there is a general feeling in the House that the
5 P.M. Bill is not likely to return to the Assembly, assuming any changes are made by the other House, and we intended to sit on Saturday in the hope of achieving the object of getting it through the House and getting it back if necessary. As it now appears that object cannot be achieved, there seems to be a general desire, if you will agree, that tomorrow may be treated as an off day.

Mr. President (The Honourable Sir Abdur Rahim) : I should like to know what the attitude of the Government is.

The Honourable Sir Nripendra Sircar : Our attitude is one of strict neutrality, Sir. I leave it to the other sections of the House.

Mr. President (The Honourable Sir Abdur Rahim) : I take it that it is the general desire of the House that we should not sit tomorrow, and I take it that the Government really do not want that the Assembly should sit tomorrow.

The Assembly then adjourned till even of the Clock on Monday, the 27th September, 1937.